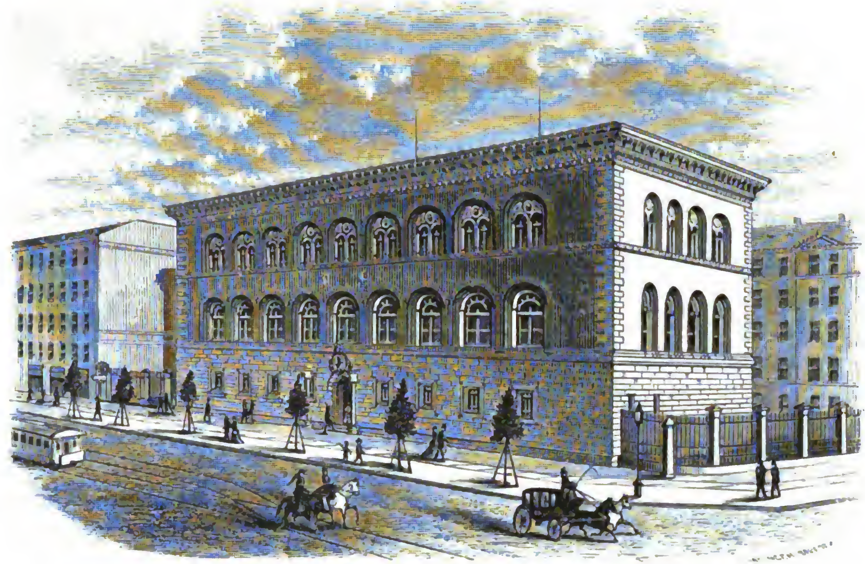
The Bankers magazine

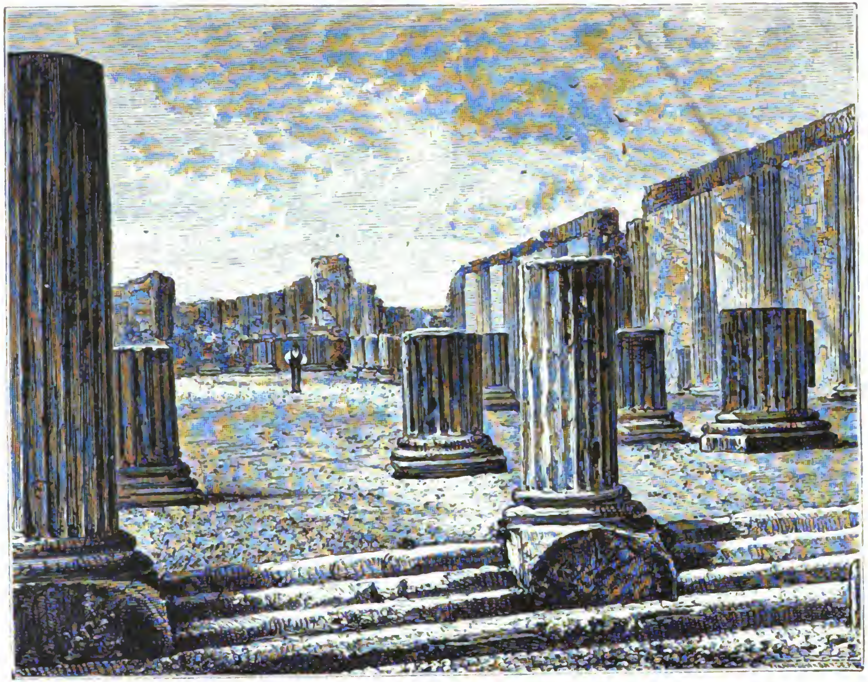
NATIONAL BANK, COPENHAGEN, DENMARK.



NATIONAL BANKEN, KJOBENHAVN, DANEMARK.

Engraved for the Banker's Almanac for 1874. No. 251 Broadway. N. Y.

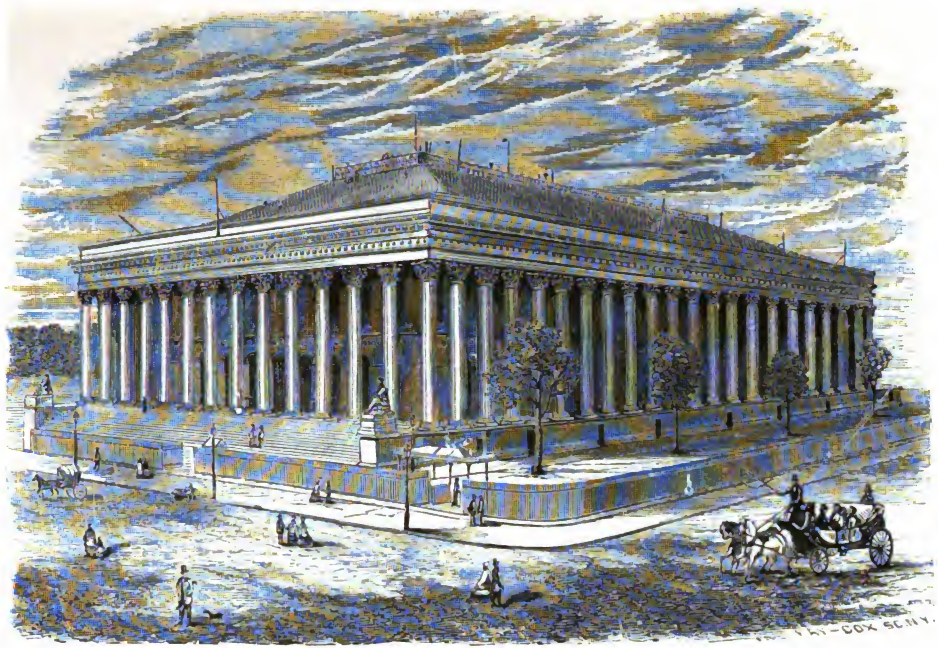
THE EXCHANGE, Ancient Pompeii.



EXCAVATED IN THE NINETEENTH CENTURY.

Engraved for the Banker's Almanac for 1874: 251 Broadway. New York.

THE PARIS STOCK EXCHANGE.

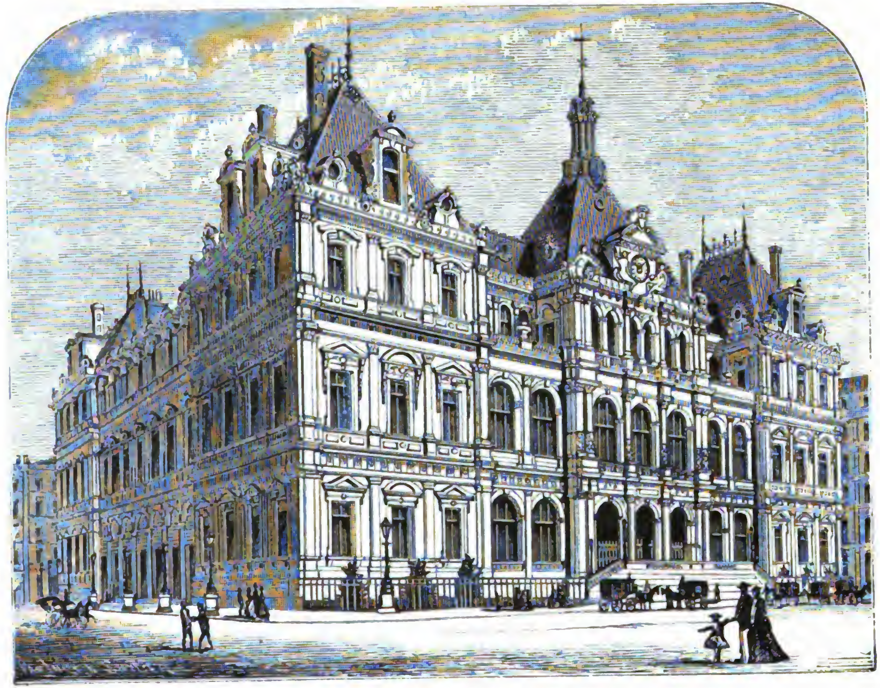


LA BOURSE, PARIS.

ERECTED 1808—1826.

Engraved for the Bankers' Magazine, and Statistical Register, for 1865.—New York.

THE STOCK EXCHANGE, LYONS, FRANCE.

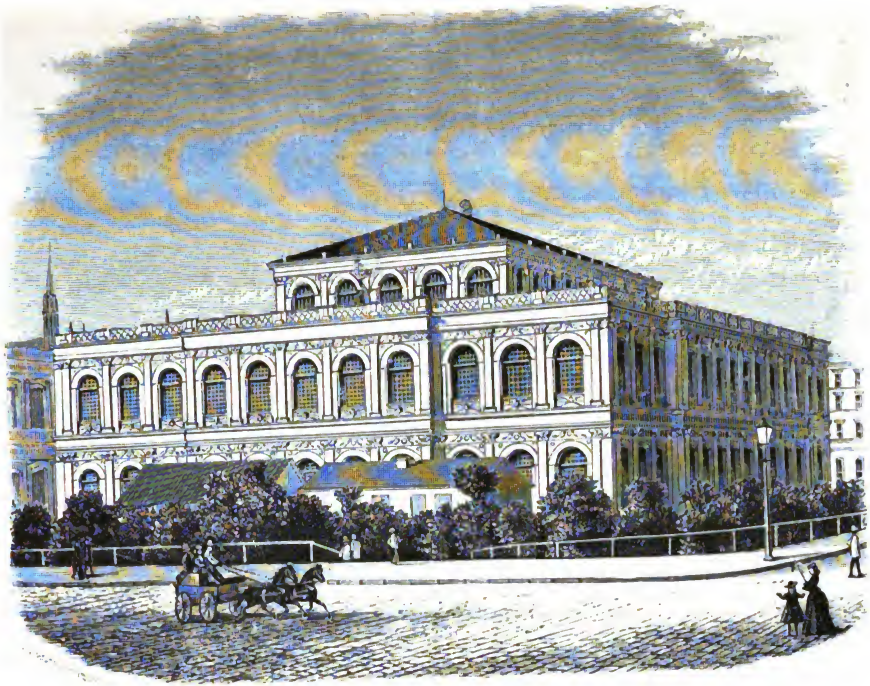


LA BOURSE, LYON.

Engraved for the Banker's Almanac for 1874. 251 Broadway, New York.

THE STOCK EXCHANGE, HAMBURG, Germany.

Erected 1840-1842.



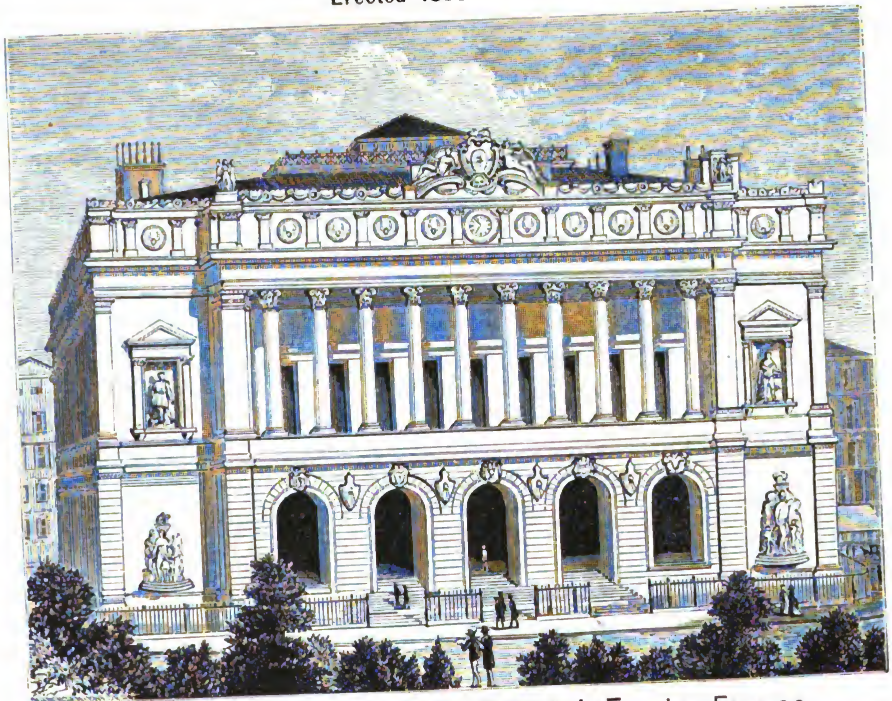
DIE BÖRSE, HAMBURG, Deutsches Reich.

ANSICHT VOM RATHHAUSMARKT.

Engraved for the Banker's Almanac for 1874. 251 Broadway, New York

THE STOCK EXCHANGE, MARSEILLES, France.

Erected 1858–1860.

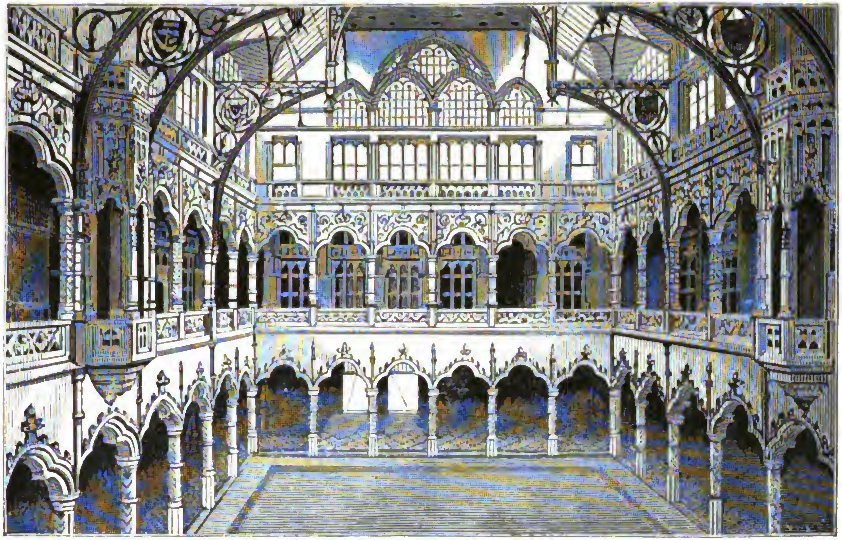


LA BOURSE, MARSEILLE, La France.

RUE CANESIERE.

Engraved for the Banker's Almanac for 1874. New York: 251 Broadway.

THE STOCK EXCHANGE, ANTWERP, BELGIUM.

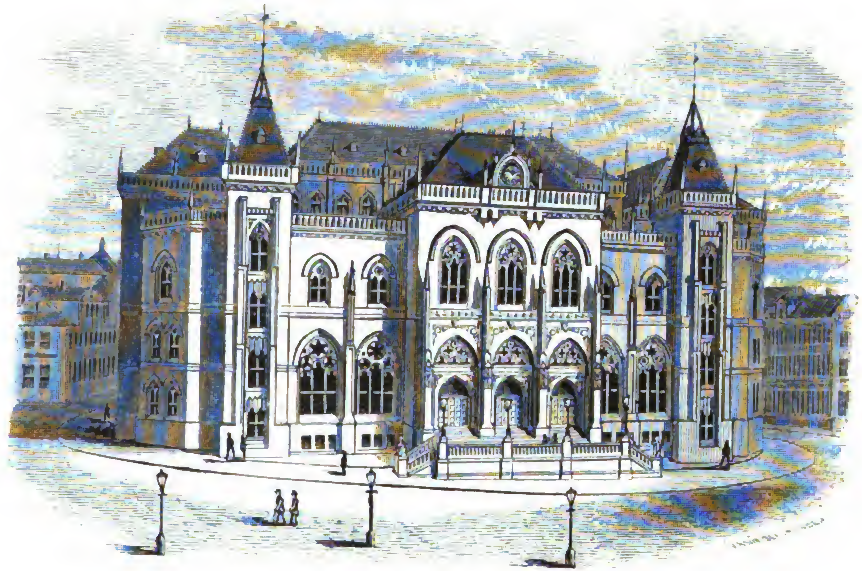


LA BOURSE, ANVERS, LA BELGIQUE.

French, **Anvers.** — *Flemish*, **Antwerpen.** — *Spanish*, **Amberes.**

THE STOCK EXCHANGE, BREMEN.

ERECTED 1864–1865.



DIE NEUE BOERSE, BREMEN.

Engraved for the Banker's Almanac for 1874. 251 Broadway, New York.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

EDITED BY I. SMITH HOMANS, AND B. HOMANS, JR.

"*No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation.*"

"*The revenue of the State is* THE STATE; *in effect, all depends upon it, whether for support or for reformation.*"

"*Rightfully considered, no principle is more conservative than that which identifies the laborer with the capitalist.*"

VOLUME TWENTY-EIGHTH,

OR,

VOLUME EIGHTH OF THE THIRD SERIES.

FROM JULY, 1873, TO JUNE, 1874, INCLUSIVE.

NEW YORK:

Published by I. SMITH HOMANS, Jr., Office of the BANKER'S MAGAZINE,

No. 251 BROADWAY.

1873-1874.

GENERAL INDEX

TO THE

TWENTY-EIGHTH VOLUME (OR EIGHTH VOLUME, THIRD SERIES)

OF THE

BANKER'S MAGAZINE AND STATISTICAL REGISTER

FROM

JULY, 1873, TO JUNE, 1874, BOTH INCLUSIVE.

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LEGAL MISCELLANY.

Cases reported in the Banker's Magazine, for the year ending June, 1874.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

VOL. VIII. THIRD SERIES. JULY, 1873. No. 1.

REDEMPTION OF THE PUBLIC DEBT.

General SPINNER, United States Treasurer, has addressed a letter to THOMAS CANBY RIDDLE, Esq., Geelong, Victoria, AUSTRALIA, in which he acknowledges the receipt of certain communications from that gentleman. These were intended to demonstrate by figures "how a saving of hundreds of millions can be made to this nation in the manner of the payment of its debt, different from the plan adopted by our government." General SPINNER says in reply:

"To my mind, the cheapest way to pay a debt that is subject to the payment of interest, is to pay it at the earliest day possible. An individual with insufficient capital, engaged in a lucrative business, may find it to his advantage to defer the payment of a debt and continue the payment of interest on the same with advantage to himself. In such a case, or in the case of a nation that has not the means to pay its debt at once, or in the immediate future, the scheme of Mr. RIDDLE would, no doubt, work admirably.

"Not so, however, with a wealthy and prosperous people. A nation that pays its debt at once pays it the cheapest. The longer payment is deferred, and the more interest is paid, the dearer it becomes and the more it costs to pay it. Of this seeming truism our people have become convinced, and are acting in pursuance thereof. They believe that the sooner a debt is paid, and the lower the rate of interest is paid, on the unpaid part thereof, in the interim, the less they will have to pay in the aggregate in its final extinguishment. Acting in accordance with the belief in this principle, our government is now

changing its six-per-cent. into a five-per-cent. stock; this latter being the lowest rate at which it is, at present, able to place its bonds. And it is now, almost daily, paying every dollar of its surplus revenue in redemption of its six-per-cent. bonds; thus not only reducing the principal of the debt, but saving the consequent payment of interest thereon.

"On the first day of July next, there will remain unpaid only $ 208,681,200 of six-per-cent. stock, on which the government will not have the option to pay at its pleasure, and this amount will all mature on the first day of July, 1881, or before that time. On all those stocks, on the government giving three months' notice of its readiness to pay the principal, interest thereon will cease. Under the operation of this policy, the debt of the UNITED STATES has been reduced in the last fiscal year in the sum of $ 99,960,253.54. From the first of March, 1869, when the present Administration assumed the management of the finances of the country, to the year 1872, a period of three years and two months. the national debt has been reduced $ 364,895,299.69; making an annual saving in the payment of interest of $ 42,385,068. Under these circumstances the proposition seems to be plain, that a government in debt that places its stocks at the lowest rate of interest possible, and that has the constant option to pay and does pay, in addition to the interest, any part of the principal that it has the means to pay, pays its debt in the shortest and cheapest way possible. All the calculations and figuring that can be made or done cannot be made to prove to my mind the contrary, any more than I could be made to comprehend by figures, how a man may lift himself by the waistband of his breeches. . . . .

"It is believed that placing an existing debt, that cannot be paid at once, at the lowest rate of interest, and to pay the principal as fast as the means for its payment can be obtained, is the best that an individual or nation can do. The best investment of a surplus is to apply it in payment of a debt, thus not only reducing the principal of the debt, but the interest of the same. This course the government of the UNITED STATES is now pursuing. Mr. JEFFERSON laid it down as a sound principle in political economy that a National debt should be paid by the generation that created it. There is now every prospect that our people will follow this wise teaching to the letter. Whenever any other nation shall show better results in the payment of a National debt than this people has accomplished, whether it be by your or by any other scheme, we will be happy to adopt the latter plan. In case your plan should be adopted, I have no doubt that Congress would gladly award you the five per cent. you claim in the net saving that might be made in pursuance thereof over that now in practice for the payment of our National debt by our government."

The writer of the above, together with the present Secretary of the Treasury and with the late Secretary, ignores the circumstances which accompanied the creation of the existing public debt.

We consider the first duty of the government is to cancel gradually

the liabilities payable *on demand*, and to extinguish them entirely, or to a proper minimum amount, before the long bonds are paid.

When the proposition for creating the notes on demand was before Congress, the debate in every instance turned upon their eventual redemption. It was EXPRESSLY URGED that such emissions were merely as A WAR MEASURE; and that, as soon as the war should cease, the redemption would be commenced by the Treasury of the UNITED STATES.

Mr. MORRILL, of VERMONT, when the bill was brought forward for the issue of one hundred and fifty millions of paper currency, (February, 1862,) strongly opposed the measure. With a prophetic eye, and with a full knowledge of the tendencies and results of such a scheme, he said: *

"It is the precursor, as I fear, of a prolific brood of promises, no one of which is to be redeemed in the constitutional standard of the country. . . . I should feel that I utterly failed to discharge my duty, if I did not attempt to find a stronger prop for our country to bear upon than this bill—*a measure not blessed by one sound precedent, and damned by all.*

"We are urged by the gentleman from NEW YORK (Mr. SPAULDING), to pass this bill as 'A WAR MEASURE'—a 'MEASURE OF NECESSITY.' . . . If this paper money is *a war measure*, it is not waged against the enemy, but one that may well make him grin with delight. I would as soon provide Chinese wooden guns for the army, as paper alone for the army. . . .

"It is an experiment to inject, *by a govermental force pump*, into the arteries of commerce a new currency, when the arteries are already filled."

He further said, with the sober truth and clear foresight which have since been fully demonstrated:

"The Government can flood the country with 150 millions of paper dollars, but from that moment you would vastly increase the cost of carrying on the war; prices would go up, and the addition we thereby pile upon our National debt would prove that it might have been even wiser to have burnt our paper dollars before they were issued. The inflation of the currency would be inevitable. In ordinary times few comprehend the Archimedean leverage of a few millions added to (or subtracted from) the currency of a nation actively engaged in the affairs of the world."

Mr. MORRILL'S objections † to the proposition were sound and unanswerable, viz.:

I. It will infinitely damage the national credit:

II. It will cut off all other chances of supplies.

III. It will reduce our standard of legal tender, already sufficiently debased.

* See "SPAULDING'S *History of Legal-tender Paper Money*," page 60.

† Ibid., page 62.

IV. It will inflate the currency and *increase many fold the cost of the war.*

V. It would slide into the place proper for taxation.

VI. It is a question of doubtful constitutionality.

VII. It is an *ex post facto* law, immoral, and a breach of the public faith.

VIII. It will at once banish all specie from circulation.

IX. It will dampen the ardor of our men at home, as well as our soldiers in the field.

X. It will degrade us in the estimation of other nations.

XI. It will cripple American labor and throw, at least, larger wealth into the hands of the rich.

Finally, there is no necessity calling for such a desperate remedy.

It is a matter of history that these predictions were true. The proposition, so strongly urged by Secretary CHASE was finally adopted, instead of an adequate system of taxation. Prices rose more than ONE HUNDRED PER CENT., until the premium on gold reached 185 per cent. The loss to American labor has been at least one thousand millions of dollars. The cost of carrying on the war was nearly doubled, and the annual cost to the government, *since*, has been from 33 to 50 per cent. beyond what otherwise would have been. With a knowledge of these *inevitable results of an irredeemable paper currency*, Mr. MORRILL added:

"But with all the earnestness I possess, I do protest against making anything a legal tender but gold and silver, as calculated to undermine all confidence in the Republic, whose reputation should be dearer to statesmen, as well as to soldiers, than life itself."

Mr. ROSCOE CONKLING, (now Senator) of NEW YORK, followed Mr. MORRILL, and with the sagacity belonging to a statesman pointed out the fallacies of the treasury theory. He said:

"The proposition is a new one. No precedent can be urged in its favor; no suggestion of the existence of such a power can be found in the legislative history of the country. . . . Had such a power lurked in the constitution, as construed by those who ordained and administered it, we should find it so recorded."*

"The whole scheme presupposes that the notes to be emitted will be *lepers in the commercial world* from the hour they are brought into it; that they will be shunned and condemned by the laws of trade and value. If this is not to be their fate, what is the sense, as was said in the Federal Constitutional Convention, in attempting to legislate their value up. Now, sir, I do not believe that you can legislote up the value of a thing any more than you can make heroes of generals by legislation."

Notwithstanding these opposing views the bill was passed in the House by a vote of 93 to 59.

* Ibid., page 65.

In the House of Representatives there was strong opposition from numerous others, and the only ground upon which members voted for the bill was AS A WAR MEASURE.

Mr. KELLOGG, of ILLINOIS, said: "I treat this, Mr. Chairman, as emphatically and clearly A WAR MEASURE."

Mr. BLAKE, of OHIO, while advocating the bill, admitted that "the bill is brought forward as A WAR MEASURE, to meet the pressing demands now on the Treasury."

When the bill reached the Senate, there was strong opposition from Senators COLLAMER, COWAN, and others.

The predictions of Senator COWAN have been fully verified. He said: The legal-tender form "is abhorrent of reason, justice and all notions of right. He thought the legal-tender clause would give the notes credit, but would be injurious to them. *It would disturb* the relations between debtor and creditor, and impair all the contracts of the people, more or less, ALL OVER THE COUNTRY."

Senator McDOUGALL, of CALIFORNIA, while willing to vote for the scheme, said:

"He thought this a just and reasonable WAR MEASURE. Necessity, it is said, is above all law; it is better said *necessity makes its own laws*. . . . . We are at war. THIS IS A WAR MEASURE. We must take war responsibilities."

In the Senate this WAR MEASURE had thirty votes, with only seven negatives.

Mr. SPAULDING, of Buffalo, who introduced this war measure and who has prepared the only reliable history of the debate, admitted

"We must, while the war lasts, incur all the debt necessary to crush out the rebellion, and to maintain the authority of the government."

It was admitted, in fact, by almost every member who entered the debate, that the proposed issue was solely and exclusively A WAR MEASURE, and its advocates promised, with a view to secure affirmative votes, that as soon as the exigencies of the war were over, the redemption of the legal-tender notes should be commenced, as they would be no longer necessary.

What followed the close of the war? Instead of prosecuting instantly, in March, 1865, a vigorous and persistent reduction of these 400 millions, as was largely promised during the debates in Congress, the action of Secretary McCULLOCH, in fulfilling or attempting to fulfil the original promise was checked; Congress put a stop to the gradual curtailment inaugurated by him; a curtailment, which, if persisted in, would have placed the treasury by this time, in a position to resume specie payment, and thereby restore the country to the true financial level.

On the contrary, the present head of the treasury, EIGHT YEARS after the close of the war, deems it wise to increase the volume instead of reducing it. Prices of wages, property, rents, have

increased instead of diminishing, *in view of the persistent maintenance of the paper money policy.* Instead of keeping on hand the specie funds contributed by the government, which would in time form a strong reserve, the banks have sold their gold and contributed to the unhealthy speculation of the past six years.

The theory of General SPINNER is sound, as far as it goes, viz.: to reduce the public debt by all the surplus means of the treasury; but the radical error consists in reducing the bonded debt, due years hence, instead of canceling gradually the legal-tender demand notes. The expenditures of the government, independent of interest on its debt, are about 150 millions, annually; all payable and paid in a depreciated currency. Now, we maintain that the treasury would, by a gradual curtailment of the demand notes, now 356 millions, render the purchasing power of the remainder much greater than it is at present. Instead of saving twenty-four millions annually, as General SPINNER claims, the treasury would save at least thirty millions annually, by placing the demand notes upon a specie basis.

This could be done in three years, and the country would then recover from the disgrace that was dreaded by the Senate, in 1862–'63, and which has followed the paper money system urged then by the treasury, instead of a vigorous system of taxation.

If the treasury would adopt this gradual redemption of demand notes, the business of the country would be placed upon a solid basis, and instead of being a debtor nation, as at present and for years past, (the inevitable sequence of irredeemable paper) the United States would assume again (as in 1840–1860) its proper position among the commercial nations of the world, and prices would gradually fall until they approached those of 1860–1861. Contracts would be made upon a reliable and consistent footing, and the country could again rely upon its own labors to produce articles which are now created abroad, and which are constantly demanding specie in liquidation. The banks could again place themselves upon a specie footing and thereby avoid the quicksands of commerce — the perpetual revulsions and crises now produced by excessive and irredeemable paper money.

PUBLIC FAITH.—Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by scrupulous attention, on the part of the Government, to carry the violation no further than the necessity absolutely requires; and to manifest, if the nature of the case admit of it, a sincere disposition to make reparation whenever circumstances shall permit. But, with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is, therefore, highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions.

—ALEXANDER HAMILTON, *Secretary of the Treasury*, 1790.

NEW ACTS OF CONGRESS.

PASSED 1873.

I.—An Act to require National Banks to restore their Capital when impaired, and to amend the National Currency Act.

II.—An Act to provide for obtaining information of the condition of Banks organized under State laws.

III.—An Act to authorize the examination of certain banks.

IV.—An Act making appropriations for sundry civil expenses of government for the fiscal year ending June 30, 1874.

V.—An Act to establish the Custom House value of the Sovereign or Pound Sterling.

I.—*An Act to require National Banks to restore their Capital when impaired, and to amend the National-Currency Act.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all national banks which shall have failed to pay up their capital stock, as required by law, and all national banks whose capital stock shall have become impaired by losses or otherwise, shall, within three months after receiving notice thereof from the Comptroller of the Currency, be required to pay the deficiency in the capital stock by assessment upon the shareholders, pro rata, for the amount of capital stock held by each; and the Treasurer of the United States shall withhold the interest upon all bonds held by him in trust for such association, upon notification from the Comptroller of the Currency, until otherwise notified by him; and if such banks shall fail to pay up their capital stock, and shall refuse to go into liquidation, as provided by law, for three months after receiving notice from the Comptroller, a receiver may be appointed to close up the business of the association, according to the provisions of the fiftieth section of the national-currency act.

SEC. 2. That section fifty-seven of said act be amended by adding thereto the following: "*And provided further,* That no attachment, injunction, or execution shall be issued against such association or its property, before final judgment in any such suit, action, or proceeding in any state, county, or municipal court."

SEC. 3. That all banks not organized and transacting business under the national-currency act, and all persons, companies, or corpo-

rations doing the business of bankers, brokers, or savings institutions, except savings banks authorized by Congress to use the word "national" as a part of their corporate name, are prohibited from using the word "national" as a portion of the name or title of such bank, corporation, firm, or partnership; and every such bank, corporation, or firm, which shall use the word "national" as a portion of their corporate title or partnership name six months after the passage of this act, shall be subject to a penalty of fifty dollars for each day thereafter in which such word shall be employed as aforesaid as part of such corporate name or title, such penalty to be recovered by action in any court having jurisdiction.

Sec. 4. That it shall be the duty of the Comptroller of the Currency to cause to be examined each year the plates, dies, but-pieces, and other material from which the national-bank circulation is printed in whole or in part, and file in his office annually a correct list of the same; and such material as shall have been used in the printing of the notes of national banks which are in liquidation, or have closed business, shall be destroyed under such regulations as shall be prescribed by the Comptroller of the Currency and approved by the Secretary of the Treasury; and the expense of such examination and destruction shall be paid out of any appropriation made by Congress for the special examination of national banks and bank plates.

Approved, March 3, 1873.

II.—*An Act to provide for obtaining information of the condition of Banks organized under State laws.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the duty of the Comptroller of the Currency to report annually to Congress, under appropriate heads, the resources and liabilities, exhibiting the condition of the banks, banking companies, and savings banks organized under the laws of the several States and Territories, such information to be obtained by the Comptroller from the reports made by such banks, banking companies, and savings banks to the legislatures or officers of the different States and Territories. And where such reports cannot be obtained, the deficiency shall be supplied from such other authentic sources as may be available.

Sec. 2. That, in order to carry the provisions of the first section of this act into effect, the Comptroller of the Currency is hereby authorized, if it should be necessary, to employ one clerk of class four, who shall be appointed by the Secretary of the Treasury in the manner now provided by law.

Approved, February 19, 1873.

III.—*An Act to authorize the Examination of certain Banks.*

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller of the Currency, in addition to the powers now conferred upon him by law for the examination of national banks, is hereby further authorized, whenever he may deem it useful, to cause examination to be made into the condition of any bank in the District of Columbia, organized under act of Congress. The Comptroller, at his discretion, may report to Congress the result of such examination. The expense necessarily incurred in the execution of this act shall be paid out of any appropriation made by Congress for special bank examinations.

APPROVED, January 20, 1873.

IV.—*An Act making Appropriations for sundry Civil Expenses of Government for the Fiscal Year ending June* 30, 1874, *and for other purposes.*

* * * * * * *

NATIONAL CURRENCY.

SECTION 1. For replacing the worn and mutilated circulating notes of national banking associations, and for engraving and preparing in such manner and on such paper and of such form and design as the Secretary of the Treasury may prescribe, new circulating notes for such associations to replace notes of a design and denomination now successfully counterfeited, six hundred thousand dollars: *Provided,* That each of said national banking associations shall reimburse the treasury the costs of the circulating notes furnished under this provision.

* * * * * * *

APPROVED, March 3, 1873.

V.—*An Act to establish the Custom House value of the Sovereign, or Pound Sterling of Great Britain, and to fix the par of exchange.**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the value of foreign coin as expressed in the money of account of the UNITED STATES shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated annually by the Director of the Mint, and

* This act is intended to make coin of *standard* value the basis of exchange, instead of values derived from assays of *worn coin,* as in former years. It is a new departure and an excellent one.—Ed. B. M.

be proclaimed on the first day of January, by the Secretary of the Treasury.

SEC. 2. That in all payments by or to the treasury, whether made here or in foreign countries, where it becomes necessary to compute the value of the sovereign or pound sterling, it shall be deemed equal to four dollars eighty-six cents and six and one-half mills; and the same rule shall be applied in appraising merchandise imported where the value is, by the invoice, in sovereigns or pounds sterling, and in the construction of contracts payable in sovereigns or pounds sterling; and this valuation shall be the par of exchange between GREAT BRITAIN and the UNITED STATES; and all contracts made after the first day of January, eighteen hundred and seventy-four, based on an assumed par of exchange with GREAT BRITAIN of fifty-four pence to the dollar, or four dollars forty-four and four-ninths cents to the sovereign or pound sterling, shall be null and void.

SEC. 3. That all acts and parts of acts inconsistent with these provisions be, and the same are hereby, repealed.

APPROVED, March 3, 1873.

Acts (not of a general nature) were also passed by the 42d Congress, changing name and location of the following National Banks:

NATIONAL BANK OF LYONS, MICHIGAN, to SECOND NATIONAL BANK OF IONIA, MICHIGAN. (See BANKER'S MAGAZINE, March 18, page 749.)

EAST CHESTER NATIONAL BANK OF MT. VERNON, NEW YORK, to GERMAN NATIONAL BANK OF EVANSVILLE, INDIANA.

FIRST NATIONAL BANK OF NEWNAN, GEORGIA, to NATIONAL BANK OF COMMERCE, Atlanta, GEORGIA. (Not yet accepted.)

FIRST NATIONAL BANK OF WATKINS, NEW YORK, to FIRST NATIONAL BANK OF PENN YAN, NEW YORK. (See BANKER'S MAGAZINE, June, 1873, pages 992 and 995.)

KANSAS VALLEY NATIONAL BANK OF TOPEKA, KANSAS, to FIRST NATIONAL BANK OF TOPEKA, KANSAS.

NATIONAL BANK OF SPRINGFIELD, MISSOURI, to FIRST NATIONAL BANK OF SPRINGFIELD, MISSOURI.

TREASURY DEPARTMENT—CIRCULAR.

Office of Comptroller of the Currency, April 1, 1873.

The act of March 3, 1865, provided that $150,000,000 of the amount of circulating notes authorized to be issued to National Banks should be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population, and the remainder among associations formed in the several

States, in the District of Columbia, and in the Territories, having due regard to the existing capital, resources and business of such State, District and Territory.

The act of July 12, 1870, authorized the issue of $54,000,000, in addition to the $300,000,000 already authorized, to be furnished to banking associations organized or to be organized in those States and Territories having less than their proportion under the above apportionment, and provided that the increased circulation should be distributed upon a new apportionment based upon the census of 1870. Section 6 of the same act required that after the $54,000,000 authorized should be taken up, $25,000,000 of the circulation already issued to associations formed in States in excess, should be withdrawn and distributed among the States and Territories having less than their proportion, so as to equalize the same. The $54,000,000 of additional circulation has been apportioned to banks already organized or in process of organization in the Western and Southern States, but the whole amount has not yet been issued, and may not be issued for some months to come—possibly not until the meeting of the next Congress. As soon as the whole amount shall be issued it will be my duty to make requisition upon the Banks in New York City having more than $1,000,000 circulation, and upon those in the States of Rhode Island, Connecticut, and Massachusetts having over $300,000 circulation, for any excess beyond those amounts; but the date of such requisition is yet uncertain.

Applications are frequently made to this office for an increase of the circulation of National Banks or for the organization of new National Banks—circulation to be issued upon the condition that the same amount of notes of National Banks which have closed business shall be first returned to this office for destruction.

The amount issued to the State of........................... being largely in excess of the amount contemplated by the acts referred to, no further circulation beyond the amount already approved will be issued to national banking associations organized in that State.

JNO. JAY KNOX,
Comptroller of the Currency.

STATISTICS.—Whoever is at all acquainted with what has been done during the last two centuries, must be aware that every generation demonstrates some events to be regular and predictable which the preceding generation had declared to be irregular and unpredictable; so that the marked tendency of advancing civilization is to strengthen our belief in the universality of order of method, and of law. . . . It becomes, therefore, in the highest degree important to ascertain whether or not there exists a regularity in the entire moral conduct of a given society; and this is precisely one of those questions for the decision of which statistics supply us with materials of immense value.

—BUCKLE, *History of Civilization.*

SPECIAL DEPOSITS IN BANK VAULTS.

The case of BOYD *vs.* THE THIRD NATIONAL BANK OF BALTIMORE, tried in May last, in the Superior court in that city, presents several interesting points. In February, 1866, the plaintiff deposited with the defendant corporation certain United States bonds and other securities, valued at about $26,500. He received in return a memorandum of the deposit, signed by the discount clerk of the bank, and containing the following clause: As collateral security for the payment of all obligations of WILLIAM A. BOYD & Co. to the THIRD NATIONAL BANK OF BALTIMORE, at present existing or that may be incurred hereafter, with the understanding that the right to sell above collaterals in satisfaction of such obligations is hereby vested in the officers of the THIRD NATIONAL BANK. For six years thereafter these bonds and certificates remained in the custody of the bank, and during that time the firm of WILLIAM A. BOYD & Co. dealt largely with the bank, at times borrowing money; and at times drawing checks in excess of their balance.

Last summer, however, a burglary, out of which grew this litigation, was committed in the bank. Certain persons professing to be engaged in the produce commission business hired a room adjoining the safe vault. For six weeks they remained there, exciting no suspicion, but all the while busily engaged in drilling their way into the vault. The chilled iron casing appeared to be the only impediment which gave them any very great difficulty. Finally they perforated it by boring one hundred and twenty holes and thus removing a section of plate about thirty inches square. Inside the vault were a Lilly's safe and a Miller's safe. The latter either was not seriously assailed, or successfully resisted the assault. But the door of the Lilly's safe was forced open with a "jack," and the contents, including the plaintiff's collaterals, were stolen. The theft was achieved between the closing of the bank on Saturday and the opening on Monday.

It so happened that at the time of the burglary, and for some three weeks preceding, the plaintiff's firm was not indebted to the defendant. Formal demand was thereupon made upon the bank by Mr. BOYD for the return of his property, and when this was not forthcoming, suit was brought in trover, based upon the written agreement. The defence rested mainly upon the proposition of law that the transaction and clause of the receipt made the bank merely a gratuitous bailee at all times when the firm of BOYD & Co. were not actually indebted to it in such a manner as to render this deposit a collateral security for the indebtedness. No such indebtedness existing at the time of the robbery, the *depositum* was then gratuitous. The bank, under the act of Congress which was its organic law, had no right to receive such deposits or to incur responsibility for them. Property thus kept by it must therefore be at the risk of the owners. The rulings of the court, Mr. Justice DOBBIN on the bench, were in favor of the plaintiff.

It was said that to receive and hold collateral security for loans and advances were necessary incidents of the banking business, and were therefore within the contemplation of the statute creating institutions to conduct that business; that the clause of the receipt, above cited, was clearly not intended to provide for a gratuitous keeping, for which no bank would give any such receipt; but that it must be construed to mean that the bonds and certificates were to remain in the bank to secure the solvency of the firm of Boyd & Co. in its dealings with the defendant; hence that it was a contract of pledge terminable only when both parties completed their obligations; that is to say, when the pledgor had repaid all borrowed moneys and the pledgee had returned the securities. Until such termination the bank was a bailee for consideration, and was to be held to exercise ordinary and reasonable care in the keeping, which was defined to be "that degree of care which other prudent banks, under like circumstances, are accustomed to bestow upon property of their own of like character and value."

It became, therefore, a question of fact for the jury whether the bank had in fact exercised this degree of care. The instructions asked by the plaintiff and given by the court, bearing upon this point, were curious. They covered such matters as the following: Whether the vault was properly constructed? Whether Lilly's safe was a proper one to use? Whether the watchmen were sufficient in number and whether they were selected with sufficient care; whether they were persons of good habits; and whether they were absent from the bank at the time of the robbery? A finding against the bank on any of these points would have rendered necessary a verdict against it. The plaintiff further asked the judge to rule that the failure of the bank to pay the indoor watchman a salary sufficient to enable him to keep his family without engaging in other business was evidence of negligence. But this was refused. The jury was out for a long time and finally failed to agree. The case will, therefore, be tried again, and the law will doubtless ultimately be determined by the court of appeals, since the questions are both novel and important.

This is only one out of a thousand cases somewhat similar, where contracts are made without a full understanding between the contracting parties, as to their respective liabilities. Bankers and their customers cannot be too careful in their business arrangements, as to each other's claims, liabilities and risks. This matter of trusting bonds to a banker is not fully understood. There is no reason why bankers should assume the risk of taking care of their customers' bonds. There is no occasion for a bond owner to run the risk of leaving his property with bankers who do not consider themselves liable either for ordinary care or extra care. A banker's vaults now-a-days are not the safest places for securities. Numerous cases have recently occurred where persons of wealth have been ruined by bank burglars, and it is a point not yet settled by our courts whether a banker is liable to his customer for such a loss. The bondholder should deposit his securities where the depository is paid for its guarantee to the depositor against loss.

GREAT FORTUNES OF THE WORLD.

From Chambers' Journal.

The richest subject in ENGLAND, in 1685, had estates which little exceeded £20,000 a year. The Duke of ORMOND had £23,000 a year; His Grace the Duke of BUCKINGHAM, £19,600; and MONK, Duke of Albemarle, left property which would yield a like sum. MACAULAY, quoting KING'S *Natural and Political Conclusions*, says the average income of a temporal peer was about £3,000 a year; of a baronet, £900; member of the house of Commons, £800 (*History of England*, i, 309). Sir WILLIAM TEMPLE observes: "The revenues of a House of Commons have seldom exceeded £400,000."

Passing up to the eighteenth century, it has been said, no doubt with truth, that hardly any Englishman could have produced half a million of money in 1750. We presume Alderman BECKFORD could have done so, as in 1770 he left to his son, Fonthill, [which had cost £240,000,] £100,000 a year, and a million of ready money. How rapidly that fortune was dissipated! The author of *Vathek*, at the age of thirty-six, in 1796, came to reside at Fonthill, and began to build a new house in the Gothic style. The following description of the house, by a visitor, is given in the preface to a recent edition of *Vathek:* "To give you an idea of the place, you must think of York Minster placed on a commanding elevation in the midst of a woodland paradise of many miles in extent. . . . Although at this spot the interior of Fonthill has not the vastness of York Minster, yet I think the whole building stands on more ground. The dazzling effect of the stained glass in the lofty windows, when the sun throws their colors on the crimson carpets, contrasted with the vivid green lawn seen in the distance through the lofty entrance doors, themselves as high as a moderate-sized house; the galleries a hundred feet above you; the magnificent mirror at the end of the room, reflecting the prospect of the grounds for miles, present a scene I shall never see equalled. Looking right and left, you have a clear view of three hundred and thirty feet, not bare stone walls, but a magnificent apartment, furnished with the most valuable books, cabinets, paintings, mirrors, crimson silk hangings, and a thousand things besides; you walk the whole distance on superb carpets, and at every step your attention is arrested by some beautiful work of art or natural curiosity." In 1822, the whole, in consequence of the depreciation of his West India property, combined with reckless expenditure, was sold to Mr. JOHN FARQUHAR for £330,000; and its former owner went to Bath, and there built an immense tower, from the summit of which he could see Fonthill, though seventy miles distant.

The rise of the great House of ROTHSCHILD belongs to the eighteenth century. MEYER ANSELM, a Jew, was born in 1743,

and was established as a money lender, &c., in Frankfort, in 1772. From his poor shop, bearing the sign of the *Red Shield*, he acquired the name ROTHSCHILD. He found a good friend in WILLIAM, Landgrave of Hesse; and when the Landgrave, in 1806, had to flee from NAPOLEON, he intrusted the banker with about £250,000 to take care of. The careful Jew traded with this, so that, in 1812, when he died, he left about a million sterling to his six sons, ANSELM, SOLOMON, NATHAN, MEYER, CHARLES and JAMES. Knowing the truth of the old motto, "Union is Strength," he charged his sons that they should conduct their financial operations together. The third son, NATHAN, was the cleverest of the family, and had settled in ENGLAND, coming to Manchester in 1797, and London in 1803. Twelve years after, we see him at Waterloo, watching the battle and posting to ENGLAND as soon as he knew the issue, and spreading everywhere the defeat of the English. The clever but unscrupulous speculator thus depressed the funds, and his agents were enabled to buy at a cheap rate; and it is said that he made a *million* by this transaction. He died in 1836; but the real amount of his wealth never transpired. It has been said: "Nothing seemed too gigantic for his grasp, nothing too minute for his notice. His mind was as capable of contracting a loan for millions as of calculating the lowest possible amount on which a clerk could exist." *(Chronicles and Characters of the Stock Exchange.)*

WILLIAM STRAHAN, the printer, made a large fortune in the latter half of the eighteenth century. His third son, ANDREW, who succeeded him in the business, left more than a million when he died in 1831. Thirty years after, the Duke of BUCKINGHAM died, who, like his father, squandered a vast fortune at Stowe, and had to sell the contents of the mansion. This sale occupied forty days, and realized £75,562 4s. 6d. (RUMLEY FORSTER's *Priced and Annotated Catalogue.)* What a pity such a dispersion seemed! His Grace was, says Sir BERNARD BURKE, after the present reigning family, the senior representative of the royal Houses of TUDOR and PLANTAGENET.

JAMES MORRISON, "the hygeist," who died in 1840, made half a million by the sale of his vegetable pills. According to Mr. GRANT *(History of the Newspaper Press)*, HOLLOWAY, the inventor of the celebrated pills and ointment which bear his name, has amassed a fortune of from one and a-half to two millions, and intends following in the steps of Mr. PEABODY. Pianoforte-making would also seem to be a profitable business, since Mr. THOMAS BROADWOOD, who died in 1862, left £350,000 personalty. WILLIAM JOSEPH DENISON, the banker, left one of the greatest fortunes of modern times—namely, two and a-half millions, in 1849. When COUTTS, the banker, died, in 1821, he left his wife (formerly HARRIET MELLON, the actress,) £600,000, as well as estates to a large amount. One instance out of many will suffice to show the good use his granddaughter, the present Baroness BURDETT COUTTS, has made of this wealth: at a cost of £50,000 she endowed the colonial bishoprics of Adelaide and BRITISH COLUMBIA. The Earl of BRIDGEWATER, who died in 1823, left property amounting to about £2,000,000 to the then Lord ALFORD;

on condition that if he should die without having attained the rank of marquis or duke, the property was to go to his brother. But the question was raised, when Lord ALFORD died without having assumed these dignities, whether his son was not entitled to the property; and the House of Lords decided that the condition was contrary to the principles of the English constitution, and Lord ALFORD'S son was confirmed in the title. Another will which was the subject of much litigation, was that of Mr. PETER THELUSSON, who died in London, in July, 1797. After leaving his wife £100,000, the residue (about £600,000) he committed to the care of trustees, to accumulate during the lives of his sons and their sons, to be divided when they were all dead, among their survivors. It was believed that the property would then amount to £18,000,000 or £19,000,000. But legal and other expenses prevented this, and when divided in 1856, little more than the original sum was divided among the three survivors (*Book of Days*, ii, 97). But wealth has gone on accumulating in ENGLAND to an enormous extent, and the proving of the personalty of wills allows us to realize this pretty accurately. Mr. GLADSTONE was, no doubt, right, when he said at Liverpool College, December 22, 1872: "More wealth has, in this little island of ours, been accumulated since the commencement of the present century—that is, within the lifetime of many who are still among us—than in all the preceding ages, from the time, say, of JULIUS CÆSAR; and again, at least as much of wealth within the last twenty years, as within the preceding fifty."

The *Spectator*, November 16, 1872, published a list containing an account of the fortunes exceeding a quarter of a million personalty during the last ten years. From this list it appears, that during the decade ten persons left more than a million, fifty-three more than half a million, and one hundred and sixty-one, more than a quarter of a million sterling. It must be remembered that these fortunes do not include landed investments.

There are a few examples of great fortunes made by misers, who often denied themselves the necessaries of life in order that they might leave a large sum behind them. Such a man was JAMES WOOD, of Gloucester, who died in 1836, possessed of property sworn under £900,000. A will was found in which he left all his property to Alderman WOOD, of London, his attorney, and two clerks. But a short time after a codicil to the will was sent in anonymously, bequeathing various large sums to different individuals. It was accompanied with this extraordinary memorandum: "The enclosed is a paper saved out of many burned by parties I could hang. They pretend it is not J. WOOD'S hand—many will swear to it. They want to swindle me. Let the rest know." The writer was never discovered; and now came litigation which lasted four years. Sir HERBERT JENNER gave his judgment in 1840, rejecting the codicil so mysteriously sent. But—O the glorious uncertainty of the law!—Lord LYNDHURST, in a higher court, reversed the judgment, and the money was divided according to the terms of the will.

THE LAW OF STOLEN BONDS.

From the American Law Times.

Before the Circuit Court of the UNITED STATES—Southern District of NEW YORK. January, 1873. The UNITED STATES *v.* VERMILYE & Co. *et al.*, New York.

Certain "seven-thirty notes" were delivered to an express company for collection, and while in its hands, as carrier, were stolen. They were not heard of after the larceny until the time for their payment had passed, when they were discovered in the hands of V. & Co., it appearing that said V. & Co., took them after they had matured, and that there were circumstances that should have excited inquiry. The express company came forward and paid the consignor the value of the notes, claiming them as its property. Held, *that the notes were subject to the rules applicable to commercial paper, and that the express company was entitled to a decree accordingly.*

Opinion by Judge BLATCHFORD.—The bill in this case sets forth that the defendants, VERMILYE & Co., claim to own five of the obligations of the UNITED STATES, known as seven-thirty notes, for $1,000 each, issued June 15, 1865, and three of such notes, for $ 100 each, issued July 15, 1865; that such eight notes were sent by VERMILYE & Co. to the plaintiffs, for payment or redemption, VERMILYE & Co. claiming that they purchased said notes in good faith and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof; that the defendant, the Adams Express Company, likewise claims to be the owner of all of said notes, and that the same were stolen from it about May 22, 1868, and that it never parted with the title to the same; that each of such claimants has notified the plaintiffs not to pay or deliver the notes to the other; that the plaintiffs have always been willing to deliver the notes, and to pay the money secured thereby, to the person lawfully entitled to receive the same; that they offer to deliver the same into this court; and that they do not collude with either claimant, and have not brought this suit at the request of either or both, and have not been indemnified by either or both. The prayer of the bill is, that the defendants may interplead and settle their rights to the notes, and to the money secured thereby, and that the plaintiffs may be at liberty to deliver the notes to this court, and that the defendants may be enjoined from commencing any suit against the plaintiffs, touching the premises, and that the plaintiffs, upon the payment into court of such amount, and procuring the

defendants to interplead, may be discharged of all liability to the defendants in the premises.

The answer of VERMILYE & CO. avers their ownership of the notes, and denies that the Adams Express Company has any interest in or title to them. It avers that the notes [illegible]rchased and received by them in the ordinary course of busi[illegible]t their banking house in the city of New York; that, at the time of said purchase, they paid therefor the full value of the notes in said city; that they so purchased and paid for the same in good faith, and without any knowledge or notice that the parties from whom the same were purchased were not the owners thereof and lawfully entitled to the same, and in the full belief that said persons were such owners and so entitled; that they forwarded the notes to the Secretary of the Treasury, at Washington, for redemption and payment, the notes having then become due, and for no other purpose; that it was the duty of the plaintiffs to have redeemed and paid the notes to them, or to have returned them to them; and that they demanded a return of them from the plaintiffs before the commencement of this suit. The answer asks that the court will adjudge that VERMILYE & CO. are the owners of the notes, and entitled to recover and receive the same or the amount due thereon.

The answer of the Adams Express Company denies the ownership of VERMILYE & CO., and that they purchased the notes in good faith, and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof. It sets up ownership in the company, and avers that the company is a carrier and forwarder of money packages for hire; that it was so in May, 1868, between New Albany, in INDIANA, and the city of New York; that, on the 19th of May, 1868, the FIRST NATIONAL BANK at New Albany, INDIANA, owned one of the $ 1,000 notes; that, on that day and at that place, its cashier endorsed said note as follows: "Pay Secretary of the Treasury for redemption. W. MANN, Cas.;" or, "Pay Secretary of the Treasury for conversion. W. MANN, Cas.;" that the note, so endorsed, was placed and secured in an envelope, which was addressed to the Secretary of the Treasury of the UNITED STATES, at Washington; that, on the same day, the package, containing the note, was delivered to the company, for transportation by it to its address; that while the package was in the possession of the company, as carrier, it was feloniously, and with force and arms, taken from the possession of the company by some unknown persons, not through any negligence of the company; that the note subsequently appeared in circulation, but not bearing, with legible distinctness, such endorsement, but yet bearing traces of it sufficiently legible to indicate to any one conversant with such notes, that its negotiability had been restricted by an endorsement which had been attempted to be obliterated; that the fact of such attempted obliteration was and is plainly perceptible on the note, and was the cause of the refusal of the Secretary of the Treasury, in the first instance, to redeem or convert it; and that the company has fully paid the bank for the note,

and is entitled to its possession, and to be paid the amount due on it. The answer prays for a decree to that effect. It also sets up, that, on the 21st of May, 1868, the FIRST NATIONAL BANK OF CLARKSVILLE, TENNESSEE, was the owner, in its own right, or as depositary, of the other seven notes; that those notes, endorsed by its cashier, or their owners, were securely enveloped, and addressed to B. SEAMAN, cashier, New York, and the package was delivered to the company for transportation to New York; that such package was feloniously taken from the custody of the company, at the same time and under the same circumstances with the package from New Albany; that the endorsements on the notes were attempted to be obliterated in the same manner, and to the same extent, and no more, as in the case of the note from New Albany, and they came to VERMILYE & Co. in the same manner as that note; and that the company has fully paid the Clarksville Bank for the notes, and is entitled to their possession, and to the amount due thereon. It prays for a decree to that effect. It also avers that VERMILYE & Co., prior to receiving the notes, were notified by the company of the fact of such larceny, and were furnished by it with the numbers of the notes, and of the series thereof, and were fully notified thereby, and, also, by the appearance of the notes, that the same had lost their negotiable character, and were tainted, in their title thereto, in the hands of those who passed them to VERMILYE & Co.; and that if VERMILYE & Co. parted with value for the notes, they did so in violation of the notices given to them by the company of its property in the notes, and without the exercise of ordinary care and scrutiny, and with full knowledge, from the appearance of the notes, that they had been tampered with.

This case was brought to hearing on the pleadings in July, 1870, and a decree was then made to the effect that the bill is properly filed; that the defendants do interplead and settle the matters in controversy herein between themselves; that, in the meantime, and until the further order of the court, the notes in controversy be deposited with the clerk of this court; that the costs of the UNITED STATES be paid by the party in whose favor judgment final be entered herein; and that the consideration of all questions of costs, as between the defendants, and all other questions and directions, be reserved until the trial of the matters in controversy between the defendants.

The notes in question were all of them issued under the authority of the act of March 3, 1865 (13 *U. S. Statutes at Large*, 468). They all of them bear on their faces the words: "Act of March 3, 1865." The New Albany note, one for $1,000, and the four Clarksville notes, for $1,000 each, bear date June 15, 1865. The other three Clarksville notes, for $100 each, bear date July 15, 1865. The $1,000 notes read, on their faces, in this way, in engraving: "Interest twenty cents per day. Three years after date, the UNITED STATES promise to pay to the order of ———, one thousand dollars, with interest at 7 3-10 per cent., payable semi-annually, in lawful money. Washington, June 15th, 1865. Treasury Department. Act of March 3d, 1865." They also bear the signatures, on their faces,

of the Register of the Treasury and of the Treasurer of the UNITED STATES. On the face of each are the words, in engraving: "5 coupons attached. Last 6 months' interest payable with note. Prior instalments payable only on presentation of coupons therefor;" also, the words, in engraving: "The government reserves the right of paying in coin the interest on this note, at the rate of six per cent. per annum." On the back of each note are the words, in engraving: "Pay to bearer," in a panel, with a blank space underneath, in the panel, in which words could be written. On the back of each note are, also, the words, in engraving: "At maturity, convertible, at the option of the holder, into bonds redeemable at the pleasure of the government, at any time after five years, and payable twenty years from June 15th, 1868, with interest at six per cent. per annum, payable semi-annually, in coin." The $100 notes differ from the $1,000 notes only in having the words "two cents," instead of "twenty cents;" the words "one hundred," instead of "one thousand;" and the words "July 15th," instead of "June 15th."

The fact of the larceny of the notes from the possession of the Express Company, and their ownership by the banks, as set up, is fully proved. They were stolen during the night of the 22d of May, 1868, out of a railroad car, the iron safe, in which they were, being taken away, with its contents, after the messenger in charge of it had been knocked senseless by the robbers. On the 29th of May, 1868, a printed handbill, advising of the stealing of the New Albany note, as a United States seven-thirty note for $1,000, second series, act of March 3, 1865, and giving its number, was delivered to a person behind the counter of VERMILYE & Co., in their office in New York. This handbill cautioned all persons against receiving or negotiating the note, and stated that the Express Company claimed the right to recover its possession, and that it was endorsed, "Pay Secretary of the Treasury for redemption. W. MANN, Cashier." The handbill purported to be issued by the president of the Express Company, and was dated New York, May 28, 1868. On the 5th of June, 1868, another printed handbill, dated Cincinnati, May 28, 1868, advising of the stealing of the New Albany note, as a United States seven-thirty note for $1,000, second series, issued under the act of March 3, 1865, and endorsed as before mentioned, and giving its number, and of the four $1,000 Clarksville notes as United States seven-thirty bonds of $1,000 each, June 15, and giving their numbers and letters, and of the three $100 Clarksville notes, as United States seven-thirty bonds of $100 each, dated July 15, 1865, and giving their numbers and letters, was delivered to a person behind the counter of VERMILYE & Co., in their office in New York. This handbill purported to be issued by officers of the Express Company, and contained a like caution and statement, as before mentioned, in regard to the notes specified in it.

On the 22d of June, 1868, the Treasury Department issued a circular, limiting the time for the conversion of the seven-thirty notes into bonds, but not extending the time during which the notes not

presented for conversion would draw interest beyond the date of their maturity. The time for the conversion of the notes maturing June 15, 1868, was extended to and including July 15, 1868, and the time for the conversion of the notes maturing July 15, 1868, was extended to and including August 1, 1868. The bonds to be issued in exchange for the notes were to bear interest from July 1, 1868, and the interest on the notes surrendered in exchange was to be calculated accordingly.

In July, 1868, the Adams Express Company filed in the Treasury Department a caveat, consisting of the before-named handbill, dated Cincinnati, May 28, 1868. It was delivered to the department, with a letter from the office of the company at New York, dated July 20, 1868, to its agent at Washington, which letter requested the agent to have the notes mentioned in the handbill caveated at the department. They were caveated by entering in a book in the department, under proper heads, the fact that they were seven-thirties, and their dates of issue, numbers and amounts, with the fact that they were "stopped," and the name of the company as the person filing the caveat.

In June and July, 1868, the company paid to the two banks, respectively, the entire value of the stolen notes.

The notes, when stolen, and when they came into the possession of VERMILYE & Co., did not have the name of any person filled into the blank spaces on their faces, after the words "order of." The New Albany note had, when stolen, written across its back, one or the other of the two forms of words set forth in the answer of the company in that behalf. There is no satisfactory evidence that anything was written on the back of any of the Clarksville notes.

On the 9th of April, 1869, VERMILYE & Co. purchased, at their office, from SUYDAM & NASON, a reputable firm, members of the New York Stock Exchange, the New Albany note and the four $ 1,000 Clarksville notes, paying therefor a sum calculated at the rate of 99½ per cent. on the principal, with the addition of the six months' unpaid interest on such principal. On the 12th of April, 1869, VERMILYE & Co. made a like purchase from the same firm, for a like price, of the other three Clarksville notes.

On the 14th of April, 1869, VERMILYE & Co. presented the eight notes at the Treasury Department for redemption. They were not redeemed. In reply, the department informed VERMILYE & Co. that the notes were all of them claimed by the Adams Express Company, and further in regard to the five $ 1,000 notes, that their general appearance warranted the belief "that the payee's name had been extracted from the face of the notes."

It is in evidence, that it was usual for seven-thirty notes to be bought and sold in the market after their maturity, and after, by such maturity, interest had ceased to be payable on them, and that the notes in question were purchased by VERMILYE & Co. in the usual mode in which such transactions were conducted. No *mala fides* can

be imputed to VERMILYE & Co. in respect to the purchases, except such as may grow out of the facts that they purchased the notes so long after their maturity, that the handbills referred to were delivered to them, and that the notes, some or all, bore appearances which, as to some of the notes, attracted the notice of the officers of the Treasury Department, on their finding that the notes were notes which had been caveated on their books.

There is no evidence as to what was visible on the faces or backs of the notes when they were received by VERMILYE & Co., or by the Treasury Department, in respect to written matter partially obliterated, except the remark in the letter of the department, of April 14, 1869, to VERMILYE & Co., in regard to the five $ 1,000 notes, that "the general appearance of the notes warrants the belief that the payee's name has been extracted from the face of the notes." As it is not shown or claimed that the name of any payee was ever inserted in the blank on the face of any of the notes, this remark has no meaning. In the absence of the insertion of any names in such blanks, the notes were all of them in the same condition as if payable to bearer, and were, therefore, negotiable by delivery, and the writing of anything on the backs of the notes, while the blanks after the words "order of" were not filled up with the names of payees, did not amount to an "endorsement" on or of the notes, in the sense of that word in the law-merchant, so as to restrict the negotiability of the notes or to make them non-negotiable by delivery merely. (WOOKEY *v.* POLE, 4 BARN. & ALD., 1; WHITE *v.* VERMONT and MASS. R. R. CO., 21 HOWARD, 575; *Mercer County v.* HACKETT, 1 WALLACE, 83; MURRAY *v.* LARDNER, 2 Id., 110; SAUNDERS *v.* BACON, 8 JOHNSON, 485; TAPPAN *v.* ELY, 15 WENDELL, 362.) And these doctrines apply to these notes issued by the UNITED STATES, in like manner as if they were the notes or bonds of a corporation or of an individual. (TEXAS *v.* WHITE, 7 WALLACE, 700; TEXAS *v.* HARDENBERG, 10 WALLACE, 68.)

But while VERMILYE & Co., if they purchased these notes in good faith, before their maturity, without notice of any defect of title in the sellers, might be protected, and be held to have acquired the title to the notes, yet a very different question is presented, when it appears, as it does, that the notes were all of them purchased after their maturity. When they were so purchased, the time for their conversion into bonds had long passed. They were then merely overdue obligations, payable in lawful money. A person who takes a bill or note which, on the face of it, is overdue, cannot claim the privileges which belong to a *bona fide* holder without notice; and, if he chooses to receive it under such circumstances, he takes it with all the infirmities belonging to it, and is in no better condition than the person from whom he received it, and takes nothing but the actual right and title of his vendor. ANDREWS *v.* POND, 13 PETERS, 65, 79; GOODMAN *v.* SIMONDS, 20 HOWARD, 343, 365, 366; TEXAS *v.* WHITE, 7 WALLACE, 700, 735; TEXAS *v.* HARDENBERG, 10 WALLACE, 68, 90.) The last two cases cited show that these doctrines apply to securities

issued by the UNITED STATES. In TEXAS *v.* WHITE, the court says that the known usage of the UNITED STATES to pay all bonds as soon as the right of payment accrues, requires the application of the rule respecting overdue obligations to bonds of the UNITED STATES which have become redeemable. The right to convert into bonds the seven-thirty notes which matured June 15, 1868, expired July 15, 1868, and the right to convert into bonds the notes which matured July 15, 1868, expired August 1, 1868. The notes, therefore, after those dates, remained in the hands of any holder of them, good only for the principal secured by them, and for unpaid interest up to the date of their maturity, as expressed on their face. The holder of them was losing interest on his money, by holding them. He could use them only for what their value was, principal and interest, at their maturity. They were thus, in fact, less valuable to their holder than an ordinary promissory note of a solvent maker would have been after its maturity. This condition of these notes is shown by the fact that VERMILYE paid for them one-half of one per cent. less than their principal, with the addition of the unpaid interest up to maturity. The fact that they continued to be bought and sold after their maturity, and after interest had ceased on them, did not make them any the less overdue obligations, or relieve them from the operation of the rules of law in regard to such obligations. VERMILYE & Co. still took the risk of the title of the vendor. There may have been many reasons, in respect to particular notes, why they passed in the market after maturity, and why the interest on the money represented by them was being lost to the holder. It does not necessarily follow that all of such notes had been stolen, so as to establish such usage as a usage to deal in stolen notes after maturity, even if such usage could be of any force. We have no evidence of the extent of the dealing in such notes after maturity, as compared with the entire amount of the notes issued. With the known usage of the government to pay its obligations at maturity, and the loss of interest, and the rejection of the privilege of conversion, all of which facts were apparent to VERMILYE & Co., by inspection of the notes, there is every reason for holding them to the rule, that they took nothing but the actual right and title of their vendor. That was nothing but the title of the thief. No principle applicable to the protection of those who deal in negotiable securities before their maturity, requires that these notes, in the position they occupied after their maturity, should be regarded as other than overdue obligations. Mr. TROWBRIDGE, one of the defendants, who negotiated the purchase of the notes in question, testifies that when he bought them he knew they were past due. They had been past due from nine to ten months. In connection with this fact, it is not inapt to remark that, whatever may be said in regard to holding a party bound by such notice as was given to VERMILYE & Co. in this case, in respect to dealing in government securities, such as these notes, before their maturity, it is not at all unreasonable to regard such notice, given June 5, 1868, in respect to securities which would become, and which became due, some June 15, 1868, and the rest July 15, 1868, as a good notice in respect to

dealing in the particular securities named in the notice, after they became overdue.

There is no force in the suggestion that the notes in question were a part of the currency of the country, and were money in the same sense as bank-notes. They were issued under the act of March 3, 1865 (13 *U. S. Stat. at Large*, 468), and so state on their faces. The third section of that act expressly provides that nothing contained in that act shall be "construed as authorizing the issuing of legal-tender notes in any form," although a previous part of third section had provided that all the provisions of the act of June 30, 1864, (Id., 218,) which were applicable to the obligations to be issued under the act of 1865, should apply to them. The reason for this evidently was that the second section of the act of 1864 provided that certain seven-thirty notes, authorized by it, and to be made payable, principal and interest, in lawful money, at maturity, not exceeding three years from date, should be a legal tender, to the same extent as United States notes, for their face value, excluding interest, and it was intended that the seven-thirty notes to be issued under the act of 1865 should not be a legal tender. The first section of the act of 1865 shows that the seven-thirty notes issued under that act were only evidences of the indebtedness of the UNITED STATES for money borrowed by it.

It is objected, on the part of VERMILYE & Co., that the Express Company has no title to or interest in the notes, other than that which arises from its having paid the amounts of the notes to the banks, and that there is no evidence of any transfer to the company of the titles of the banks, or of any other person, to the notes. The company had these notes in its possession, as a carrier, for hire. In virtue of that relation, it had such a special property in them, that it could maintain an action to recover them against the thief. If so, no good reason is perceived why it could not also maintain an action to recover them against VERMILYE & Co., if they were found in the hands of VERMILYE & Co., after having been taken by the latter under the circumstances shown in this case. This being so, the company ought to be allowed to rely on such special property as against VERMILYE & Co, when it is shown that VERMILYE & Co. have no better title than the thief who stole the notes from the company. The company was clearly liable to the bailors for the loss of the notes, and when it is shown, in addition to such special property of the company, that it has paid the value of the notes to the bailors, in discharge of such liability, it must be held that, in equity, there has been an assignment to the company of all the title of the bailors to the notes. The facts proved are sufficient to establish the right of the company, as against VERMILYE & Co., to receive payment of the notes from the UNITED STATES, and to protect the UNITED STATES in paying the notes to the company.

There must be a decree in favor of the Express Company.

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. THE PAYMENT OF POST-DATED CHECKS. II. THE VALUE OF CONFEDERATE PAPER. III. CAN A BANK LEGALLY DEMAND THE INDORSEMENT OF THE PAYEE?

I.—THE PAYMENT OF POST-DATED CHECKS.

FIRST NATIONAL BANK, ——, IOWA.

To the Editor of the Banker's Magazine.

A. B. & Co. have an account in bank, with credit of $500. They draw a check *dated May* 1, 1873, for $100, payable to C. or order. C. endorses it to Bank of ——, and that bank sends it to me for collection and returns under date of March 7, 1873.

What is my duty to this bank, to my correspondent the Bank of C——, and to A. B. & Co.?

Reply.

A bank has no right to charge to the drawer's account his post-dated check until it has matured; that is, on or after the day of its date. To elucidate fully this point, we extract from "MORSE *on the Law of Banks and Banking*," (page 314,) the following:

A post-dated check is payable on, or at any time after the day of date. There is no question but that a post-dated check is in the UNITED STATES a perfectly legal and proper instrument. In ENGLAND a statute used to require that a post-dated check should be stamped like a bill of exchange, and otherwise declared it invalid. But no such rule has ever obtained in our own country. A post-dated check with us has no peculiar characteristic whatsoever, distinguishing it from an ordinary check, beyond the mere fact of its bearing a date subsequent to the day of its actual writing and delivery. On that date, or after it, it is payable immediately, just like any other check. . . . . .

There is no possible pretence for claiming days of grace upon it.

It is simply and unquestionably payable on demand so soon as the day of the date comes round. But it is the bank's own risk if it pay before that day. Such a payment is irregular, and circumstances may easily supervene, under which the bank will be held to pay the amount again, or to restore it to the credit of the drawer, if it has debited him with it; which, however, it has no right to do. For it is unquestionable that in the interval between such irregular payment and the day of the date when the payment could be properly made, the amount ought still to be left standing to the credit of the drawer. The bank has no right to charge him with the disbursement till the time comes when the disbursement could be properly made on his account. His check is no order till it has matured. So, if in the interval he continues to draw checks, the bank must continue to honor them upon presentment, so long as his account, without decrease by the debit of this item, is sufficient to meet them, until the day of the date arrives. When that day does arrive, the bank may, of course, appropriate the sum it has paid out. But if then the intervening drafts have so diminished the depositor's balance that the remainder is not enough to meet the amount of the post-dated check, the deficiency must be the loss of the bank, brought upon it by its own gratuitous and uncalled-for liberality.

Its only source of restitution is from the depositor. Even the right to demand reimbursement from him may be taken away by his revocation in the interval before the maturity. If, after the bank has paid, but before the date of the instrument gave it the right to pay, the drawer countermands his immature order and forbids payment, it is certain that the anticipatory action of the bank cannot operate to deprive him of this right.

If a post-dated check falls due on a Sunday or on a legal holiday, presentment for payment cannot be made until the day following. Presentment on the day preceding is irregular. The bank is not bound to pay on that day. Accordingly, a demand then made is so far erroneous that it will operate to discharge an indorser, unless it should be cured by a second demand properly made on the correct day subsequent.

II.—The Value of Confederate Paper.

Bank of ——, Ky., May, 1873.

To the Editor of the Banker's Magazine.

Can you furnish me, or tell me where I can get, the information as to the value of "Confederate Money" when compared with gold, either through the whole war, or for six months prior to, and including February, 1864? I have seen a table of the sort, I think in some New York paper, but can't think now what paper it was. Very truly, &c.,

—— Cashier.

Reply.

The BANKER'S MAGAZINE for November, 1866, (page 391), contains monthly quotations of Confederate Currency, from January, 1862, to March, 1865.

This information was obtained from Messrs. ISAACS, TAYLOR & WILLIAMS, bankers, Richmond, VIRGINIA, from whom further particulars can be had on application.

III.—CAN A BANK LEGALLY DEMAND THE INDORSEMENT OF A PAYEE?

——— BANK, MO., May, 1873.

To the Editor of the Banker's Magazine.

If a check is presented at the counter of a bank, by JOHN SMITH, and payable to his order, can the Bank require him to endorse it before paying it, or does the law, if resorted to, compel the bank to pay without endorsement? I know that custom has always been to require endorsement, but one of the Supreme Judges of our State, and several other lawyers, have told the writer, personally, that this custom of the banks would not stand the test of law. Will you have the kindness to give me your opinion of the matter—that is, would the law sustain the bank in its position of requiring endorsement before payment of checks payable to order, when presented by the party to whom payable?

——— Teller.

Reply.

We have never before heard questioned the right and the duty of a bank to require endorsement of the party to whom a check is made payable.

The fact that the check is so drawn, instead of being payable to bearer, imposes upon the bank the burden of proof of its proper payment. Such proof can be furnished with certainty only by the written acknowledgment of the payee, and for his refusal to give it we can conceive no valid reason.

REVOLUTIONS.—"Was there ever an age of the world like the present! The painted scenes in a theatre do not shift before the eyes of the spectators more suddenly, or apparently more on that principle of strong contrast, on which the poet and the artist rely for their most striking effects, than dynasties and forms of government in the times in which we live."—HUGH MILLER.

THE PROGRESS OF ECONOMY AND TRADE.

An Address Before the National Association for the Promotion of Social Science, at Plymouth, England, September, 1872.

By Sir John Bowring, LL. D.

I have been unexpectedly honored with the request that I would undertake the presidency of the Department of Economy and Trade at the present meeting of the Social Science Association. I was not willing to decline the duty, though I have felt that I could only imperfectly and unworthily discharge its claims. Had more time been allowed me, I would have endeavored to present a more general and complete view of the field, and to have pursued the inquiry into ramifications which I am compelled to abandon. No one can be more aware than I that in the various departments of political economy and trade, an investigation, in order to be wholly satisfactory, should be exhaustive; but as every day's experience and observation adds something to the statistical facts upon which ought to be grounded the deductions of the philosopher and the legislation of the lawgiver, any thoughtful suggestions must augment those materials upon whose study and proper appreciation the well-being of society depends. Progress in every department of thought and action is happily the tendency of the intellectual tide, and if we cannot always direct its course, or increase its potency, we may at least allow our little barques to be carried forward in the stream.

It may be doubted whether there is any topic of social or individual interest which is not in some way or other to be tested by statistical and economical results; at all events, it may be contended that when such results are attainable they will tend much to the elucidation of any and every controversy. Every argument is strengthened if it can take a mathematical or arithmetical shape, and the tendency of all inquiry is to subject every contingency to some law of harmony or order. The great controversy of the day is, whether any event in the widest regions of space or time does escape, or can escape, from the irresistible despotism of universal law. Thoughtful men are beginning to test the great workings of Providence, once deemed inscrutable, as they would test the working of any instrument produced by the hands of man. If they look at the

machinery of a watch, they would judge of its excellence from the absence of aberration, that it constantly went well, and recorded the progress of days or hours, or minutes or seconds, with unvarying accuracy. If it failed, they would properly deduce from its failures the imperfect hand of the watchmaker. It is not necessary that they should be personally acquainted with the watchmaker to assist the conclusions at which they would arrive; nay, it would be utterly impossible for them to trace the various parts of the complicated work to their origin; and so in the infinite variety of the machinery of creation. There the watch never fails; there there is no eruption, no convulsion which is not a part of the great whole of law. We no more see the Creator of the universe than we see the fabricator of the watch; but the evidence of the existence of the former is infinitely stronger than the evidence of the existence of the watchmaker, because the products of creation are infinite in number, and in extent and duration; the products of man few, limited and perishable. But, in truth, even on the mind of imagination figures play a prominent part: the poet *measures* his verses; we *sum up* the aptitudes or the defects of the painter; we *deduct* the short-comings from the excellences of the architect; and, in cases of great artists like MICHAEL ANGELO or SHAKESPEARE, we cannot avoid *multiplying* their charms.

There is ground for general congratulation as to the national progress and prosperity in the commercial field, as exhibited in those unmistakable figures which from time to time are presented to Parliament and the public by the Board of Trade. Those with which I have been favored by Mr. FONBLANQUE, the head of the Statistical Department, give the comparison between 1861 and 1871:

In 1861	the value of imports was		£ 217,485,029
" 1871	"	"	329,855,143
" 1861	"	exports was	125,102,814
" 1871	"	"	222,519,777

Showing, on imports, an increase of £ 112,370,139
" exports, " 97,516,963

Together........................ £ 209,887,102 in the last decennial period.

Nor are the statistics of our shipping less satisfactory. There sailed from our ports in 1861, 4,806,826 tons; in 1871, 5,694,123, an increase of 887,297 tons.

Of tonnage, the increase is, of entered, 7,300,308; of cleared, 7,651,929 tons.

Of the leading articles of import there has been an increase. In cotton, of more than 4 millions cwt.; flax and hemp, 1,700,000 cwt.; of jute, 2 millions cwt.; of sugar, more than 4 millions cwt.; of tea, 55 millions lbs.; of tobacco, 7 millions; of limejuice, 5½ millions gallons; of wool, 95 millions lbs. The great and notable exception is the diminution of the imports of coffee, amounting to 4,600,000 lbs.

The exports of every class of manufactures have also wonderfully augmented. In cotton goods, 20 millions; in cotton yarns, nearly 6

millions; in haberdashery, 2½ millions; in linens, 3½ millions; in machinery, 1¾ million; in iron and steel, 15 millions; in woolens, 16 millions; in woolen yarns, 2¾ millions sterling.

Immediately connected with our manufacturing industry, attention has been lately called, not without some anxiety and alarm, to the backward position of our learning classes, as contrasted with the higher and better organized instruction enjoyed by those who come into the field of competition among foreign nations.

That kind of competition may hereafter be widely extended, far beyond the limits of Christendom. There is an educational machinery in CHINA, without which that great empire would long ago have fallen in pieces; and all that is wanted to place that wonderful land in the highest range of civilization, is but to find better books and better teachers, to break down that blind reverence for the past, which has been the great barrier to progress. A marvelous change is taking place in the East. You may have remarked intelligent Japanese faces in your sections, drinking eagerly in the information we have been able to present to them. CHINA, SIAM, Burmah, Mahomedans, Parsees, Buddhists, and Brahmins are coming to us in large numbers, to gather together the seeds of knowledge, which, sown in their native soil, will produce an abundant harvest. Let us not have the vanity to suppose we have little or nothing to learn from them; such is not the opinion of those who have studied them most and who know them best.

A question in which statistics have not been practically, or at all events have been only partially consulted, or if consulted have not obtained adequate attention, is that of direct compared with indirect taxation. Indirect imports have undoubtedly the recommendation that they are voluntary contributions to the revenue. Men may abstain if they please from the consumption of many taxed articles, or regulate the amount of consumption, and there may be the advantage of being ignorant, where ignorance is bliss, of the extent to which the exciseman or the custom-house officer preys upon the income of the consumer. And it may be true, at all events it is seemingly true, that of the *non apparentibus et non existentibus eadem est ratio;* but it is a staggering fact that above £23,000,000 sterling are collected by the customs on ninety-one imported articles, of which £12,000,000 are received from four articles alone; tobacco, spirits, wine, and malt. There would be a great simplification of accounts, and a great diminution of the costs of collection if duties were laid only on a few of the most productive articles. Such was the recommendation of the Parliamentary Committee of which JOSEPH HUME was the chairman, and the exchequer has suffered little if at all from the total abolition of duty upon above 100 articles. Among the beneficial changes which have taken place, the removal or modification of fiscal regulations, such as domiciliary visits, restrictions upon the various modes of manufacture, the interferences of guilds and trades associations with apprenticeships, hours and terms of labor—in a word, the gradual emancipation of capital and employments from ancient bondage, have

all contributed to the great results which we witness on every side; and as the tendency to inquiry, and the results of inquiry, must be to substantiate by figures what has been accomplished, the evidences collected will serve as a guide for future legislation, as well as for social or individual arrangements. It is far more important to the community at large, for it is more intimately associated with the greatest happiness of the greatest number, to know more of the manner in which wealth is spent, than to know how it is to be amassed, for they cannot be many who gather together enormous masses—the ROTHSCHILDS, the BARINGS, the BRASSEYS, the MORRISONS—whether by their own talents and aptitudes, or whether, as in the case of many of the greatest landholders, from hereditary descent; but almost everybody has an interest in the expenditure of others, the inopulent especially, whose very existence depends upon the portion of money which is distributed to them in the shape of wages and for other services of a subordinate character. What is to become of these gigantic fortunes, which leave an enormous surplus after every desire has been gratified, is a curious subject for speculation. There are those who have to dispose of many millions a year. How can they be spent? and if not spent, the instant, ever-progressive accumulation goes forward. Is there any law, can there be any law, to check or influence this perpetual growth? or will the chapter of accidents, as it is called, determine the future condition of the heirs to uncounted and uncountable millions? Happily, uncountable millions are not necessarily associated with maximized felicity.

A Frenchman cleverly said "Le toût est dans le tout." All truths harmonize; all great principles are a brotherly alliance. The question of taxation seems no exception; to maximize the receipts, to minimize the cost of collection, to avoid delays, injustice, vexations of any sort. In a word, to obtain the best results at the least expense. Keep these purposes in view, and you have provided, by the wisest legislation, for your increased individual and national wealth. You will present the whole subject to the taxpayer in a simple and intelligible form, instead of the entangled and complicated tables which are now presented to Parliament and the public.

And ought not inquiries like this to become a valuable auxiliary to the various departments of the public service? All the tendencies of science are to render the appliances more efficient and less costly. The waste of money in every branch of expenditure, whether from ignorance, indifference, or inaptitude, is so little a matter of discussion, that everybody seems to agree that improvements ought to be introduced, and less perfect works abandoned. The machinery of war has been wonderfully modified and changed by the discoverers of science in the quiet regions of pacific thought. All that represents ignorance is waste; what knowledge brings is saving. The *stare super antiquas vias*, the obstinate determination not to inquire as to the *quo eundum est*, but only into the *quo itur*, the old Baronian obstinacy, *Non volumus leges Angliæ mutari*, the miserable plea that we do not want to be wiser than our forefathers, that plea to which the

great empire of CHINA owes its stationary, unprogressive character, is happily superseded by the fact that legislation constantly undergoes changes, in order to accommodate itself to new social conditions and requirements, that we have learned that we are the oldest because we are the last of the generations of men; that we are bound to add to the knowledge of our forefathers the knowledge we have acquired; while we have the assured certainty that our descendants will be much more knowing than we. Into what yet unexplored regions future inquiry may penetrate, remains yet to be disclosed; but of this we may be sure, that there is no more evidence of profound knowledge than the confession that after all we know but little. Few nobler aspirations were ever uttered than by GŒTHE, who in dying exclaimed, "Light! More light!"

The late enormous increase in the prices of all the necessaries of life, especially in food and fuel, cannot be passed over unnoticed. It is believed to exceed an average of 20 per cent., so that a fixed income of £100 a year will be practically reduced to a value of £80, and the heaviest burden will fall on the consumption of coal, the sudden augmentation of whose market price is such as has never been experienced. It is not to be expected that the Parliament would offend the laws of political economy by prohibiting exportation or laying on an export duty, and perhaps the untaxed importation from foreign markets will in some respects relieve the British consumer; but we cannot expect a very serious reduction in price, and must be prepared for the consequences in all our manufactures.

The pressure will be felt most severely by the least opulent of the middle classes and by the agricultural laborers. Workmen employed in manufactories can associate, as they mostly reside in cities and towns, and by strikes and combinations force a rise in the price of labor, and wherever the number of persons seeking employment is less than those who are wanted for employment, a rise of wages is inevitable, and the great prosperity of our mining and manufacturing interests has enabled the employed to obtain better terms from their employers, both in the shape of additional wages and a curtailment of the hours of work. But masters and workmen are alike too generally ignorant of the peremptory and paramount laws of political economy; these laws will finally regulate all contracts; and the best advice to the masters is, that they should cede to the reasonable demands of their servants; and to these latter that they should carefully guard their savings in the day of prosperity, as the day of adversity will assuredly come.

But there is a portion of the field of employment which is almost invariably overcrowded. It is that of clerks and assistants, who have prospects of a rise in their condition to which the artisan can seldom aspire or attain, and from the respectability of the position itself, generally overstock the market. Education, especially the study of modern languages, will enable very many to enter the wide area which foreign commerce presents. And I would here mention, by the way, that the acquirement of languages, when properly directed, is a

pleasurable as well as a profitable employment. It is not by books, by grammar, or by dictionaries that languages are most easily or most thoroughly acquired. The tongue and the ear are the most efficient instruments, not the eyes. Let other idioms be taught as we teach our children their own. They ought not to be perplexed with the intricacies of syntax, with the strange [and to a child utterly unintelligible] words by which we denote the cases of nouns or the conjugations of verbs. If bad grammar or bad pronunciation has never been heard, it will never be uttered.

The condition of the agricultural laborer is in many respects most unenviable, and very difficult it is for him to raise himself from his low condition. He is little disposed, except under very severe pressure, to quit the soil where he was born, and which his father had cultivated before him, and the poorer he is the less able is he to migrate. He belongs to no organized societies to which he can look for relief in time of need; and the abuses no longer exist, or only on a small scale, which enabled the farmer to augment the laborer's pay by exacting, through the poor-rates, contributions from the public. Moreover, the farm laborers are, for the most part, very ignorant and widely scattered; they have few or no intelligent representatives from among themselves; no press or papers of their own. But the better instructed workmen have not only their special clubs and unions connected with their particular trades, but they form part of an immense community, banded together by stringent rules, possessing considerable funds, having their recognized leaders, their newspapers, periodicals, pamphlets, and moreover, exercising, as they must, great and increasing political influence, they are in constant communion with the leaders of public opinion in the various sections of the State. Whether a movement, lately indicated by the Speaker of the House of Commons, to introduce the co-operative principle into the sphere of agricultural labor will find the laborer *ripe* for its adoption—and here, as everywhere, "Ripeness is all"—is a question which time only can solve. There is a widely-spread feeling that something ought to be done, and a desire that effectual aid should be given. The agricultural power is of great weight in this country, and when it is discovered that there is to a vast extent a reciprocal interest which should bind landlord, tenant and laborer in a common bond, the good work will proceed.

A time may arrive in which the field of vital statistics, especially as regards domestic economy, may be greatly extended; for example, what are the effects of particular sorts of food upon longevity. In this country there are classes—especially in the poorer agricultural districts—in which there is scarcely any, and in some cases, absolutely no consumption of animal food. Some hundreds of millions of the human race eat no animal food, and wholly abstain from intoxicating drinks. The consumption of wheat is confined to a narrow circle; that of maize is probably greater, and assuredly that of rice very far greater indeed. I recollect being asked by a Chinaman what quantity of rice grew in our country? And when I told him

"None!" "O wretched land," he replied; "you must be under the curse of heaven." How far the articles of food affect the corporeal powers of human beings it would be interesting to know. I have seen athletes among rice-feeders of INDIA, CHINA and JAPAN, whose feats of strength could scarcely be equalled by European rivals; but these exceptional examples have been taller and stouter than the average size of the population. I have seen an African seize a fierce wild bull by the horns and fling him on the ground, keeping him there in a state of absolute subjection. And in the destruction which has menaced the potato crops, it would be well if we better appreciated the value of maize and rice, as the high price of meat will recommend the use of Australian and South American preserved food.

I would not here neglect to observe that there are few matters less understood among the laboring classes than the art of cookery; for cookery is in itself a science which is closely connected with the economy and with the comforts of every family; and here, as elsewhere, waste is the result of incompetence. The English races are singularly backward in kitchen knowledge, which ought to form a part of the knowledge of every woman. Nor would it be amiss that men should know a little more about kitchen economy than our people. In visiting the camps of our soldiery in foreign countries, I was struck with the greater variety of small enjoyments which the French *militaire* provided for himself, especially in soups and salads, unknown to the English soldier. The French made little gardens in the neighborhood of their tents; the English seldom or never.

It was said by a politician of some renown, that life would be very tolerable but for its pleasures; and to those whose lives are supposed to be devoted to the pursuit of pleasure, or who at least have no business to occupy their thoughts, pleasures become wearisome. Not so the healthy recreation of the laboring and middle classes, which are very inadequately provided in our social system; for not only do some gloomy moralists recommend abstention even from innocent enjoyments, but too little provision is made to furnish attractions for those whom idleness or the public-house too frequently wean away from what is rational or instructive. "Books and works, and healthful play," are recommended by him who has been called the poet of the sanctuary; and we live no longer in days when a few manuscripts formed the libraries of the learned and the lordly. We have now an overflow of literature, even to embarrassment—literature of increasing value and attractiveness. Public libraries are becoming more and more popular.

A mass of novel information has lately been given to us from the agricultural statistics printed by the Board of Trade. As in countries where the capitation tax exists it is difficult to get returns, so in our own land there was great resistance among the farmers to the furnishing true information to the government, lest that information should lead to the imposition of more taxes. It is, however, discovered in process of time that knowledge is a great promoter of the wellbeing of the public, as well as of the individuals who value it.

study it, and apply it. The philosopher will busy himself with inquiries as to whether the same laws regulate the course of animal and vegetable life; how far, and in what matter, each can be made subservient to the improvement of the other; how far the soil, how far the seasons are available for the amelioration of the various types of existence? The tables will afford information to the landlord and the farmer as to comparative benefits of arable or pastoral cultivation; as to the state and numbers of live stock, and the proportion between supply and demand. These tables will throw light upon the various modes of agricultural management; the means of increasing produce by manure, or other appliances; they will exhibit the contrasts between the districts where advantage has been taken, and where not taken, of mechanical and scientific discoveries. For example, in this county of Devon, I had occcasion to see from the books of a distinguished manufacturer of agricultural implements, what a small proportion had been introduced compared to those employed in better cultivated tracts in England and Scotland. Then again the contrasts between large and small farms, between the "poor simple scythe and spade" husbandry, and the husbandry which turns the largest and the most advanced experience to the best account. In a large portion of this wide and interesting field, the statistics are unmistakable, and will show not a doubtful but a positive light upon inquiry.

The statistics of emigration are a valuable contribution to the history of our race. Who could have fancied such a development of knowledge and of trade as that to which the settlement of a few individuals from ENGLAND has led in the establishment of the UNITED STATES, the Australian and Canadian colonies, and other distant regions? The growth of nations, the mingling of races, the decay, the disappearance or absorption of the inferior types of man, to give place to a constantly improving model. Associated with these changes, the accession of words to language, necessitated by growing wants and extending civilization, the progress from dialects where the whole vocabulary scarcely exceeds a hundred and twenty words, up to the present state of knowledge, when perhaps six hundred thousand designations are required to nominate all the existences of animal and vegetable life, and all the distinct species which science has discovered in the multitudinous fields of research. With the extinction of races, the extinction of language or idioms must continue; and there can be little doubt that the increase of the population of the world will tend to the diminution of the lingual instruments of intercourse. In rude stages of existence the same language is confined to very small tribes; they perish together, or are blended with more influential elements, replaced by the richer and more useful languages spoken by many; and the time may be anticipated when the knowledge of no great number of languages will enable a man to communicate with the whole of his race of every clime and color. The statesman will be asking for the *when*, for figures and dates, and calculation; the mere speculative philosopher will busy himself with the *how;* but each will assist the other in his inquiries. The Teutonic, with its German and Scandinavian branches; the

English; the Latin-derived tongues like Spanish, Portuguese, Italian and French; and the various idioms of the Slavonic, may even now be said almost to monopolize the European area; and it would require no great amount of study to obtain a tolerable mastery of every language popularly spoken in every capital from Lisbon to St. Petersburg, and these changes are far more rapid than might be supposed. Of the principal literary languages of Europe, there is not one that would be intelligible to an individual who lived seven or eight centuries ago. Who of us could hold a conversation with our Saxon ancestors? What would a Saxon of the time of the heptarchy make of the classical language of our modern historians? Literature no doubt stamps with less delible marks the progress of mind; and though no doubt ever-augmenting riches will go on the tongues of our descendants, it is quite possible that the pure well of English undefiled will have to receive multitudinous streams hereafter. The use of Chinese written language, understood by probably five hundred millions of men, and by far the oldest of living tongues, is rather likely to extend than to be diminished.

The post-office statistics are among the most instructive, as illustrating the development of trade growing from the facilities of intercourse. We have a pretty accurate knowledge of the number of letters received and despatched in the UNITED KINGDOM. It would be interesting were it possible to ascertain the amount of correspondence through the civilized world. In CHINA there is no national post-office. When I was minister there, it required six months to receive an answer to a letter sent from Canton to Pekin. Thirty years ago, when my official duties took me to UPPER EGYPT, a messenger followed me for three weeks, in order to deliver a despatch from the Government. It would now require less than three days. And were it possible to estimate the circulation of newspapers, in this and other countries, this would certainly be, if not a test of civilization, an evidence of the amount of interest felt in public affairs.

The last published official returns exhibit the following results of post-office reform.

The number ef post offices in the UNITED KINGDOM is about 12,000; of road and pillar boxes, 8,000.

The number of officials employed is 29,344.

The number of newspapers circulated by the post is about 99,000,000.

Of books, circulars, and pattern and sample packets, the last yearly return gives 103,000,000.

There was a considerable interruption of postal communication during the German-Franco war; it may be interesting to know that the number of pigeon mails despatched from London during November and December, 1870, and January, 1871, was 1,234.

London has 9 daily deliveries, 3 towns have 8, 4 towns have 7, 6 towns have 6, 43 towns have 5, 63 towns have 4, 76 have 3, and 357 have two deliveries.

The number of letters delivered in GREAT BRITAIN and IRELAND in 1871 was 915,000,000; of these 3,300,000 were registered; an increase of 52,000,000 on the previous year; 75,000,000 of post-cards, and about 12,000,000 of telegraph messages.

The amounts paid on money orders, £21,949,086 in the UNITED KINGDOM. The number of money-order offices is 4,300.

The post-office provides medical attendance for all its servants, the average mortality being 7-5 per 1,000.

The number of telegraphic messages sent in 1871 was about 240,000 per week.

The gross revenue for 1871 was £4,900,454.

Total cost of post-office service, £2,559,796.

Net revenue, £2,340,657.

The electric telegraphs must not be forgotten. They have been, and will be yet more, the internationalizers, if the word may be used; they have done what the witchery of Shakespeare's *Ariel* was famed to do, girdled the earth in a few minutes. It was my fortune to be present at the first exhibition of this wire power to the mandarins in CHINA. Their curiosity was extreme, but it even became mingled with wonderment and alarm. The messages were sent from one extremity of the line to the other. "We understand it," they said: "You have a tube through which you have sent the message in a cannon ball;" but the promptitude with which an answer was returned, and the details given of what was doing at the farther end, which they had previously settled among themselves, and of which we could have no knowledge, utterly perplexed them, and they exclaimed, as the sole solution: "You and the devil understand one another, and there's an end of it."

Eleven millions seven hundred and sixty thousand telegraph messages were sent in 1871 by the post-office, of which the average charge, inclusive of porterage, was 1*s.* 1½*d.* Under the companies, the average charge was nearly 2*s.* 2*d.*

The deposits of savings banks, so much aided by their association with the post-office, now amount to more than 4,000, and hold more than £17,000,000; and the facilities given to depositors is one of the marked improvements of the age, and an evidence that numbers of the laboring class begin to understand the value of economy and the desirability of making some provision for what they call the "rainy day." It is to be hoped as they better understand their true interests they will, instead of benefit clubs, in which they are so often robbed and deluded, be more and more disposed to avail themselves of the simple official machinery now made so acceptable. Benefit societies held at public houses frequently bring with them the evils of intoxication, waste of money, and destruction of family happiness. These evils are beyond the reach of statistical research, while savings banks, on the other hand, promote the comforts which grow out of prudential, economizing and far-sighted calculations.

Railway statistics can hardly be passed over in any review of the commercial position of nations, still less in their influences upon civilization, and their contributions to human enjoyment. If any one had ventured to prophesy two generations ago that more than £500,000,000 sterling would be invested in a new mode of traveling, by which (with far less risk than by the ancient conveyances) people were to be transported at the rate of from twenty to forty miles an hour, that iron roads would be constructed by which every considerable place in the UNITED KINGDOM would be connected with every other, and all the marvelous results, financial and moral, sketched out, the predictions would have been deemed as baseless as the promises of the alchemists in the dark ages to make gold out of stones; but the wealth which has been produced out of stones, and timber, and iron, applied by science to purposes of locomotion, in the present and for the future, certainly exceeds in value all the gold and silver that circulates through the world. The wealth of Crœsus and of India may be estimated. Not so the riches which science has poured out from her ever-flowing streams. Contrast the caravan, conveying a few hundred weight of the merchandise of the East on the backs of camels, requiring days of preparation for the journey, and the journey itself prosecuted through difficulty and danger, at the rate of two and a half miles per hour, for eight hours of the day, with the goods train behind a locomotive engine carrying hundreds of tons at a dozen miles an hour, collected and dispersed with all the facilities which machinery can apply. It is within my recollection that there were many roads leading to important places in this very country which no wheel-carriage could pass, and when everything was conveyed on the backs of packhorses stumbling over the broken stones, and often merged in the deep mud.

Great improvements have of late years been introduced into railway accountancy; and as some general system will by-and-bye prevail, both shareholders and travelers will benefit by whatever tends to simplify the reports of receipts and expenditure. The great establishment of the railway clearing house in London, in which all the principal railways have now their accounts examined, and the budget properly apportioned among the various companies, will become of great value for the unification of the modes of book-keeping, while the employment of the decimal and metric system will give additional security for the accuracy, while it provides the greatest simplicity of all the calculations involved.

If it be difficult to collect the statistics of misery and crime, still less accessible are those which represent the amount of social and individual happiness and virtue. In the midst of much ostentatious beneficence no doubt there are some who

"Build a church to God and not to fame."

Charitable institutions blazen out the names and the benefactions of their supporters, and deeds of public munificence are frequently proclaimed by loud trumpets from exalted places. But what are these compared in their influence upon the general felicity with

"The little nameless, unremembered acts
Of kindness and of love,"

that brighten the domestic hearth? Who can form any estimate—even approximative—of the pleasures created, of the pains alleviated or averted, by those constant daily solicitudes and attentions exhibited in the fraternal and filial, the brotherly and sisterly, and other family affections?

"The charities which warm and bless,
Are scattered at the feet of man like flowers."

Then, again, the thought is lost in the immeasurable, for the question might embrace all tribes and tongues, all religions, all usages. Here, as everywhere, the fields of exploration are limitless, and curiosity may find food for every speculation.

There can be no doubt that, on the whole, public morals are improving. The Secretary of State declared emphatically at the International Prison Congress, that whether from the progress of education, the increase of natural prosperity, the greater demand and better reward for labor, there has been a considerable diminution of crimes, notwithstanding a progressive increase in the population.

The published statistics confirm this satisfactory statement.

The commitment of adults in 1870 were 147,225; in 1871 they were 140,127, a diminution of about 5 per cent.; of youths under sixteen there were committed in 1870, 9,988; in 1871, 8,977; a diminution of 10 per cent.

In the sixty-five reformatories of England and Scotland, in which are 5,419 boys and girls, besides 1,040 out on license preparatory to discharge, it is estimated that of the whole nearly 70 per cent. are rescued and reformed. We have thus subjects of consolation in the midst of our doubts and difficulties, certainly enough to reward and encourage perseverance.

It is true that statistics fail us on a very large portion of the social field. Take the case of intemperance; we can follow some of the mischief it produces: where the drunkard is brought before the magistrate to be punished for his inebriety, or for crimes committed under its influences, in all their grades from common assaults up to manslaughter or murder; but what statistics can reach all the consequences in domestic misery, cruelty to wife, neglect of children, loss of wages, loss of health, loss of reputation. How can statistics pursue the results of crime in their multitudinous ramifications? The criminals who are handed by the police to the sessions or assizes may be grouped together; their numbers, their cost, their offences, their sentences, their committals, and other tangible and recordable facts may be attested for the instruction of the magistrate and the lawgiver. But how imperfect are the statistics which would record the unsuspected, the undetected, the unconvicted misdoers, who escape the control of public opinion, or the action of the law? You may have the statistics of colleges and schools, and show, however imperfectly, what has been done in the education of

the people; but by what machinery can you exhibit the whole extent of ignorance and the amount of mischief caused by the presence and influence of that demon of darkness which has been not improperly called "the father of evil," "the scourge of society"? Valuable, indeed, would be such statistics if obtainable for our guidance and governance; but because they are not obtainable, because there must be inapproachable regions in the vast areas of social inquiry, is that a reason why we should not gather together the facts which are accessible to us? Is it not rather a reason for our doing so, that we should do what we can, that we cannot do all that we would?

If we take the statistics of drunkenness, we may find some of the materials nearly complete, such as the quantity of alcoholic drinks produced and consumed, for that which does not pay duty is so comparatively small that it forms an element scarcely worth consideration; and we may follow to some extent the distribution of the liquids among the community; but when we inquire what portion is usefully and healthfully used, what innocently or without salutary or sanitary effects, and what perniciously or destructively, no satisfactory figures can ever be obtained. The police records of sessions and assizes enable us to state how many are accused and convicted of drunkenness, but we are much in the dark as to the multitudes that escape the cognizance of the constable, though it may be assuredly assumed that they greatly exceed those who figure in the police returns. It might be possible to form an approximative estimate of the number of those who frequent public-houses, and the proportion among them who indulge in drinking to excess; but who can penetrate into private homes, and state how much there is of social and how much of solitary inebriety; who can portray the mischiefs and miseries which the abstraction of money for the purposes of drink has caused in the diminution of the supplies of the comforts and luxuries, to say nothing of the necessaries of life? What innocent pleasures might not have been enjoyed, what instructive books might not have been read, what becoming garments instead of disgraceful rags might not have been worn, what wholesome food and drink instead of pestilent poison, what happy, well-ordered homes, instead of offensive hovels, broken furniture, foul beds, and all the attendants of wretchedness and woe!

But here, as elsewhere, I may be accused of wandering into the domains of science, and of debating questions which more specially belong to other departments than that to which these observations are devoted. But is it not true that all the departments of science are affiliated to and connected with one another, and that in all that concerns this material world, statistics are very valuable auxiliaries wherever facts are associated with figures? And how small a portion of the field is there in which figures do not or may not form an important element? And the nearer figures can be brought to represent or approximate to facts, the more accurate will be the conception of what is, or ought to be. Mathematics and algebra; nay, poetry, music, painting, sculpture, and architecture, themselves represent

proportions which bear a direct relation to numbers, and by the use of mathematical signs will be better conceived. The fanciful song of the bard bears the title of numbers as much as does the grave enumeration of the people in the Pentateuch, or in the returns of the Registrar-General. Advocates are disposed no doubt to overestimate the value of their own art or science; but the important position which statistics, in their multitudinous forms and varieties, now occupy, will serve, it is hoped, as a justification, at all events an apology, for the charactor of this address.

The statistics of lunacy or imbecility of intellect, in connection with our criminal population, is well worthy of inquiry. Many of our very eminent judicial functionaries, while recognizing among the dangerous classes much craft and cunning, have also observed that the general character of criminals, whether from indifferent or no education, or from not always traceable causes, are intellectually much under the average standard. In the convict prison of Millbank, the average of insane, weak-minded persons exceeds 20 per cent. In Perth prison it is officially reported that one out of every nine is more or less insane, and one out of every 140 irresponsibly so. The judicial statistics (1867–8) show that 1,244 criminal lunatics became or were found insane after sentence—a remarkable evidence of the averment that solitary confinement very frequently leads to a disordered brain. Of 664 tried for murder 108 were legally pronounced insane. The theories which connect insanity with crime, whether they involve irresponsibility or mitigation of penalty, are, though often contradictory, best to be solved by the facts which statistical investigation may gather together.

Second to none and superior to most in importance are the statistics of education. The cost of our schools would present interesting questions as to the results produced by the expenditure in the various establishments. The information possessed as to the pecuniary resources of many of our public schools is very fragmentary and unsatisfactory, but quite enough to show the desirableness of a more efficient revision and control. It would be possible to institute investigations as to the expenditure incurred and the benefits conferred. And after ascertaining what has been done, comes the still more important question, as to what ought to be done, both for adults and for the young. What are the numbers of those who are utterly abandoned? At what cost can they be provided for? And how best provided for? The statistics of education enforced by law may be studied on the Prussian returns; but most advantageously perhaps in the Canton of Appenzel, where an uneducated person is scarcely to be found, and where the sums applied to public instruction exceed the amounts expended on all the other departments of the State. Some of the United States of AMERICA, particularly MASSACHUSETTS, could afford more instructive statistical details.

POPE says, wisely, "The proper study of mankind is man." Not only man in masses, but men as individuals. To discover the special tendencies and aptitudes of a child, with a view to their guidance and

development, is to give the child the best chances of success in the future struggles of life. As the same medicine will not suit different diseases, so the discipline which encourages, controls, or corrects, should be suited to the individual character.

Bankruptcy returns occupy an important place in the field of commercial inquiry. The number of bankrupts; the amount of their debts; the causes of the inefficiency of the laws which fail to protect the creditor against the fraudulent debtor; the aptitude of the machinery created for giving effect to those laws. For these and similar inquiries statistics afford the only safe foundation for legislation.

The number of books collected in the great libraries represent the gathered wisdom of the past, and the number of volumes is pretty accurately ascertained. But the quantity of books published in different countries is very imperfectly known, and of those deemed worthy of translation the list is very small. Of the least known and studied languages of the world, the literature is almost ignored in the great interchange of minds; but as the valuable books in the most accessible idioms are explored and exhausted, attention will no doubt be turned to regions less visited. The statistics of books published in different regions may furnish pabulum for future authors.

May not the study of statistics have a moralizing effect upon public opinion? May it not influence sovereigns and legislators when the cost of great national evils, and sometimes of great national crimes, is taken into account? Ask, for example, the returns of the waste of human life, of the sacrifices of money, which we owe to the devastation of war—though these sacrifices are not confined to statistical tables, but ramify into all the branches of human suffering—and it is hoped that the startling facts in figures which have been published connected with international hostilities, may not be deemed inappropriate, as they certainly cannot fail to be instructive.

Sir Walter Trevelyan has expressed an opinion that government in our army system encourages intemperance and vice. He states that the expense of enforcing the Contagious Diseases Act has increased in one year from £28,000 to £40,000, and the hospital rates from £275,589 to £380,771. The recruiting in public-houses, the bad character of the enlisted, the habits of drunkenness, the allowance of beer money to the soldiers, and the Prince Regent's allowance of his pint of wine to the officers, are all contributory to the habits of inebriety, while debauchery itself has received a sort of public sanction under the idea that it is preventive of greater evils.

The law which releases a soldier from any responsibility to maintain his family, or to provide for his illegitimate children, has served to protect, and even to encourage, immorality.

If the speculations of astronomy and geography, infinite in their extent as they seem to be, are gathered into the regions of arithmetical calculation, not less are the phenomena of life—descending into

the limitless depths of microscopical observation—destined to be brought into the statistical area. The millions of animated beings which dwell in a drop of water, or are bred upon the covering of a fly, will be subject to calculations like the pollen of a flower, the roe of a herring; the distance, magnitude, or number of heavenly bodies; or the processes by which all that is has been brought down from all that was, in the grand continuity whose origin is untraceable. Professor Huxley feels, as every one, the use, not to say the necessity, of employing figures, to present points of comparison or notions of extent. In these days we give a wider range to these thoughts which appeared mysterious to the half-instructed, and were utterly unintelligible to the vulgar—such as the great truth that "everything is in everything"—which is, in fact, but to say that there is all-controling influence, a common law, which some call providence, and others fate, but which holds in subjection all space, all time, and whatever belongs to either. Happily, to every being is given a work to do—a purpose to fulfill; and the succession of human beings, generation after generation, are but some of the multitudinous instruments for effecting the great but inevitable result.

Another section of the Association has been engaged in discussing the great questions of International Law and International Arbitration. These questions are so intimately connected with economical and commercial interests, that I should have ventured to supplement what I have said by some remarks on what has happily become one of the most interesting and exciting topics of the day. It is obvious that a reference to a friendly and well-constituted tribunal for the settlement of matters which have so frequently led to the "outslip of the dogs of war," could not but greatly serve the interests of economy and commerce—nothing can be more opposed than war to the cultivation of brotherly affections, nor to the extension of trade. Civilization has done something, much less than it ought to have done, for the suppression of internecine quarrels; it has more effectually broken down the barriers which separated town from town, district from district, province from province, which are now almost universally allowed to trade with one another. Every reason which justifies the removal of local restrictions applies to the Custom-house codes of nations; and, if not for the adjacent present, we may anticipate for a remoter future the abolition of tariffs grounded on a supposed hostility of interests—an hostility which has no foundation in fact. I will only say that BENTHAM, whom TALLEYRAND called the wisest man he had ever known, has laid down the foundation of a system of international law, with proper machinery for enforcing a code, with a view to accommodating general principles to the different conditions of national law. He would have tribunals of war as well as tribunals of peace. The principle of Arbitration has been recognized by AUSTRIA, ITALY, SWEDEN, SPAIN, BELGIUM, and others. Let due honor be done to LEOPOLD I, who took the initiative in this important matter. The melancholy history of the treaties which have been negotiated during the last two or three centuries will show that arrangements hostile to national and inter-

national interests have been scattered to the winds. The pressure of necessities, misunderstandings with great nations, have introduced an era little anticipated by the last generation. With Lord PALMERSTON all argument failed: he insisted that GREAT BRITAIN was sufficiently strong to obtain the recognition of her rights and the redress of her wrongs. The voice of reason, truth and justice have spoken authoritatively at Geneva, and its echoes will be heard through the civilized world.

THE STAMP ON BANK CHECKS.—The bill introduced in the House of Representatives recently, for the abolition of the stamp duty on bank checks, is to be condemned for two principal reasons. In the first place, it is one of the most equitable taxes that can be devised. It amounts to two cents on every bank check drawn, no matter what the amount may be. It is paid, therefore, by those whose business requires a bank account. In other words it falls on the rich and not not on the poor. Moreover, it is not burdensome to the rich and is so adjusted to the amount of business done—that is, to the usual profits of capital—that the amount paid by one man as compared with that paid by another bears a fair proportion to the relative financial ability of different citizens. In the second place, it is systematized. When a person or business firm opens a bank account, he can procure a check-book with each check properly stamped at the government office, and thus all the trouble attending the ordinary use of adhesive stamps is avoided. It follows from this that the provisions for paying the tax have been fully incorporated in the business of the country, and therefore its abolition will require a change in the regular methods of carrying on the business of banking.

—*N. Y. Evening Post.*

We differ from our cotemporary in the view of this topic. The stamp upon checks, alike that upon bills and notes, has been fruitful in complaints and annoyances. Many firms have yet in use the check books purchased before the adoption of the printed revenue stamp. To affix stamps to these is quite annoying and the revenue to the treasury, from the whole, is a small matter. The tax is unequal, because it bears only upon one portion of the community. The whole system of stamps is a vexatious one and should be utterly abolished. The only equitable system that would bear with an appreciable force is a tax upon sales; one which would furnish ample means to the treasury, and bear equally upon every member of the community. A tax of one per cent. upon sales of merchandise and of other property, would scarcely be felt by the purchasers, and could be readily collected with very slight expense to the treasury.

Another tax would yield largely and equitably, viz: a poll tax of three to five dollars upon every male, and one to two dollars upon every female. This is the smallest contribution that should be made annually by each person in thirty-eight millions of people, in consideration of the protection of the government.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from June No., page 936.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of May, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

May, 1873.		1873.		1872.		1871.		1870.		1869.		1868.	
1	Thursday..	16¾	17⅜	**12⅛**	12⅝	11⅛	11½	Sun.		**34⅝**	35	39⅜	39½
2	Friday ...	**16⅝**	16⅞	12⅝	12⅝	11⅛	11⅜	14⅞	**15½**	Sun.		39¼	39⅝
3	Saturday ..	16⅝	17	12½	13⅛	11	11¼	14½	15	35	36	Sun.	
4	**Sunday**	Sun.		13	13¼	**11**	11⅛	14¾	14⅞	35¾	36¼	39⅛	39½
5	Monday ...	16⅝	17	Sun.		11⅛	11¼	14⅜	14⅝	35½	35⅞	39⅛	39⅜
6	Tuesday ..	17	17¼	13⅝	13¾	11	11¼	14⅝	14⅞	35⅞	36⅜	39⅛	39½
7	Wednesday	17¼	17½	13½	14⅛	Sun.		14¾	15⅛	36⅝	39¼	39½	39¾
8	Thursday..	17⅛	17½	13½	14	11	11¼	Sun.		37⅝	39¾	39½	39⅞
9	Friday	17¼	17⅜	13⅞	14¼	11⅛	11¼	14⅝	14⅞	Sun.		39⅝	40¼
10	Saturday ..	17⅝	18⅜	13⅞	**14⅜**	11⅛	11¼	14⅝	15	37	37⅞	Sun.	
11	**Sunday.**	Sun.		14⅛	14⅝	11⅛	11⅝	14⅞	15¼	37¾	38¾	39¾	**40½**
12	Monday ...	17⅜	18¼	Sun.		11⅛	11⅜	15	15½	38¼	38⅝	39⅜	39¾
13	Tuesday ..	17½	17⅞	13¼	13¾	11⅜	11½	14¾	15⅛	37⅞	38⅝	39⅜	39⅞
14	Wednesday	17⅝	18	13½	14	Sun.		14⅝	14⅞	38½	38⅞	39¾	40¼
15	Thursday..	17⅝	17⅞	13⅝	14⅛	11⅜	11⅝	Sun.		39⅛	39⅞	39⅝	39⅞
16	Friday	17¾	18	13⅞	14¼	11⅝	11¾	14⅜	14¾	Sun.		39½	39⅞
17	Saturday ..	18	18⅜	13¾	14⅛	11¾	11⅞	14¾	15	40⅞	42	Sun.	
18	**Sunday.**	Sun.		13½	13¾	11¾	12⅛	14¾	15	41⅜	42½	39¼	39½
19	Monday ...	17¾	18⅛	Sun.		11¾	**12¼**	14½	14⅞	41¾	43⅜	39⅜	39¾
20	Tuesday...	17⅝	17⅞	13½	13⅞	11¾	12	14½	14¾	43⅜	**44⅞**	39⅜	39¾
21	Wednesday	17⅜	17¾	13½	13¾	Sun.		14⅝	14⅞	41⅝	43¼	39¾	39⅞
22	Thursday..	17½	18	13¾	14	11⅝	12	Sun.		40½	41¾	39¾	40
23	Friday	17⅞	18½	13⅞	14⅛	11½	11¾	13⅞	14⅜	Sun.		39⅝	39⅞
24	Saturday ..	18⅜	**18⅝**	13⅝	13⅞	11⅜	11⅝	**13¾**	14¼	41⅜	42½	Sun.	
25	**Sunday.**	Sun.		13½	13¾	11½	11¾	14¼	14⅝	40¾	41¼	39¾	40
26	Monday...	18⅛	18⅝	Sun.		11⅝	11¾	14⅛	14¾	39¼	40⅞	39⅞	40⅛
27	Tuesday ..	17⅞	18½	13½	13¾	11½	11⅝	14⅝	15⅛	38¾	39⅝	39⅝	40⅛
28	Wednesday	18¼	18½	13¾	14	Sun.		14½	14⅞	39¼	39¾	39⅝	39⅞
29	Thursday .	18⅛	18½	13¾	14¼	11⅜	11⅞	Sun.		39¾	40¼	**39⅛**	39½
30	Friday	Holiday.		14	14⅛	11¾	11⅞	14⅜	14½	Sun.		39½	39¾
31	Saturday ..	17¾	18⅛	14	14⅛	11⅝	11⅞	14¼	14⅝	38⅝	38⅞	Sun.	

The gold market for the month of May had a range of only two per cent., notwithstanding the violent fluctuations in money and stocks. The lowest premium in May was 16⅝, and the highest 18⅝; the tendency being upward at the close of the month. These quotations, when compared with the premium prevailing in May, 1870, 1871 and 1872, are an ample commentary upon the financial policy maintained by Congress. The foreign export of gold from New York this year (5½ months) has been $23,859,000 against $30,500,000 for same period of 1872.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by **Thomas Denny & Co.**,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page* 935, *June No.*)

Stocks.	Mar., 1873. *Lowest.*	Mar., 1873. *Highest.*	April, 1873. *Lowest.*	April, 1873. *Highest.*	May, 1873. *Lowest.*	May, 1873. *Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	118¼	120¼	118¾	121	119	122⅝
" Five-Twenty of 1862, "	115¼	117¼	116	118⅝	114⅞	116¾
" " 1864, "	115½	117⅝	116	118⅝	114½	116¾
" " 1865, "	116⅝	118¼	117⅞	120	117⅛	118¼
" " 1865, New, "	114¼	116⅞	115⅛	118⅝	117⅜	119¼
" " 1867, "	116	118¼	116½	120	119¼	121⅞
" " 1868, "	116⅛	118	116	118	117⅞	120½
" Ten-Forty Coupon Bonds	110	112½	111	114⅛	113⅝	114⅝
" Five per cent. of 1881	112⅞	115⅛	115¼	116¼	115¼	116¼
" Six per cent. Currency	113⅝	115	112¼	116	115	116¼
Tenn. Six per cent. Bonds, Old	80	86	77½	80⅝	79	82
" " " New	79⅞	86	78½	80¼	78½	82
Virginia Six per cent. Bonds, Old	44½	46	..	..	..	..
" " " New	..	..	..	..	..	..
" " " Consol	55½	56¾	52	54	52½	54⅝
N. Carolina Six per ct. Bonds	31½	32	30	30	27	27½
" " New	17	18	16½	17	..	..
" " Special Tax	13	13	13	16⅞	15	15
S. C. Six per ct. Bds. Jan. & July	17	20½	17½	19¾	15	17½
" " April & Oct	22	23	23	27	28	28
Missouri Six per cent. Bonds	93½	95¾	93½	94	93½	94¼
Canton Company of Maryland	93½	102¼	90	92½	93½	110
Delaware and Hudson Canal Co.	117	123	112	115½	114¼	117½
Consolidated Coal Co. of Maryland	51¼	57½	53¾	58½	54½	57⅛
Quicksilver Mining Company	40	45	38	40¼	36	40¾
" " Preferred	50	54	50	50⅛	47	50
Mariposa Mining Company	..	..	..	..	..	..
" " Preferred	1	1¼	1	1¼	..	..
Western Union Telegraph Co.	83	90⅛	77⅝	87½	84	88⅛
Pacific Mail Steamship Company	49	62	53	61½	39¾	57⅝
Adams Express Company	94	95¾	92¾	95¾	93	96
Wells, Fargo & Co. Express Co.	80¼	85¾	78	81½	79⅞	82
American Merchants' Union Express	66	69¼	65½	69	67	69
United States Express	72¼	76	71½	76½	70	74
N. Y. Cent. and Hudson River R. R.	100	106¼	97	102¾	99⅜	102¼
Erie Railroad, Common	62¼	66½	63¼	66¾	59¼	65⅜
" Preferred	74	79½	73	77	72	74
Harlem Railroad, Common Shares	127	139	120	137½	122½	131
Reading Railroad Shares	..	..	..	..	..	..

Stocks.	Mar., 1873. Lowest.	Mar., 1873. Highest.	April, 1873. Lowest.	April, 1873. Highest.	May, 1873. Lowest.	May, 1873. Highest.
N. York & New Haven R.R. Shares..	139¼	141	135½	139	137½	140
Michigan Central Railroad Co.....	105	108¼	103½	105¾	103½	105½
Lake Shore & Mich. Southern R.R..	91⅛	96⅛	88¾	93¾	89⅝	93
Panama Railroad Company Shares.	106¾	127½	103	112½	109	117¾
Union Pacific Railroad " ..	33⅝	35⅞	25	35	25¼	32¾
Illinois Central Railroad " ..	117½	123	114	118	113½	118
Cleveland & Pittsburgh R.R. " Gtd.	88	90¼	88	89½	87	89¾
" Col., Cinn. & Ind. R.R...	87	90	82½	87½	86½	90
Chicago, Rock Island & Pacific R.R.	112	117⅝	104½	114¾	107	111⅝
" Burlington & Quincy "	111	113	109	111	107	109½
" & Alton Railroad Shares..	108¼	112⅞	110	111¼	110¼	111½
" " " Pref.	112	114½	112	113½	..	..
" & Northwestern R.R. Shares	80	82½	76	82¼	78	82
" " " Pref.	87½	90	83	88	84½	87½
Del., Lackawanna & West. R.R. Co.	100⅝	102	95	101	100	105
Pittsb'gh, Ft. Wayne & Chic., Guar.	93⅝	95½	91½	93¾	93	93¾
Toledo & Wabash R.R. Co. Shares.	71½	74½	62	72⅞	67¾	70⅝
" " " Pref.	..	..	..	..	..	..
St. Louis, Alton & Terre Haute R.R.	23½	25	..	..	..	..
" " " Pref.	..	..	..	..	..	..
Ohio & Mississippi R.R. Co. Shares	44⅛	46⅝	40⅝	45½	40⅝	44⅛
Hannibal & St. Joseph R.R. "	40	45¾	37	45⅛	35	42
" " " Pref.	60	66	65	65	..	..
Milwaukee & St. Paul R.R. Shares	52⅛	60¾	53	62¼	53½	58⅞
" " " Pref.	73	76½	68¾	76	71½	73⅞
Boston, Hartford & Erie R.R. Shares	2⅝	9¼	2⅞	4⅝	2⅛	3⅛
Col., Chic. & Ind. Cen. R.R. Shares	36	42¼	35½	40½	29⅝	37½
Dubuque & Sioux City Railroad...	63	63	..	..	..	..
New Jersey Central Railroad Shares	103	105	96	103	102	106¼
Morris & Essex Railroad Shares...	90¼	91½	90	92	92	94
N. Y. Central Six p. ct. Bds. of 1883	94¼	95	94½	95½	90	92½
Erie First Mortgage Bonds of 1868..	103	103½	103	103⅝	101	101½
Long Dock Bonds................	95	95½	95½	97½	97¾	99
Mich. Southern Sinking Fund Bonds	104	105	104½	105	101	103
" Seven p. ct. 2d Mtge.	98½	100½	99	100	97	98¼
Central Pacific 1st Mortgage Bonds	103	104	102½	103½	102¼	103¾
Union " " "	85¼	87⅛	85½	87⅛	85	87
" " Land Grant Bonds..	77	79½	73¼	75¼	68	75¼
" " Income Bonds......	70⅛	77	72¼	74½	58	73
Alton & Terre Haute 1st Mtge. Bds.	100	101	..	..	99	100
" " 2d " Pref.	88½	89	88	88	88	88½
" " " Income Bds.	81½	81½	80	82	78	78
Belleville & So. Ill. 1st Mtge. 8 p. ct.	..	..	..	..	96	97
Chic. & N. W. Consol'n S. F. Bonds	90¾	91	90	91¼	89	89¾
" " 1st Mortgage Bonds..	98½	100	97	100	98½	101¼
Cleveland & Tol. Sinking Fund Bds.	101	101	102	102	102	104
" & Pittsb'gh Consol'n Bds.	..	..	..	..	..	..
" " Second Mtge.	99	99	..	..	100	100
" " Third "	..	..	100	100	97¼	97½
" " Fourth "	85	86	84	85	85½	87
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	101⅞	104	103⅝	104	103½	104⅛
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds.	94¼	95½	94½	98¼	97⅞	98½
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	90⅞	91¾	85[illegible]	87	86⅝	89¾
" " " " 2d "	72¼	74¼	72¼	73½	70	73½
Toledo, Peoria & Warsaw 1st, E D.	91	91½	89½	91	91	93½
" " " 1st, W D.	88¼	89	87½	88	88	88⅞
" " " 2d, W D.	81	81	..	..	74	74
Cedar Falls & Minn. 1st Mtge. Bds.	80	80	80	82	80	81
Boston, Hart. & Erie 1st Mtge. Bds.	38⅞	42¾	36	41¼	34¼	38¼

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, *to June* 1, 1873.

	Jan. 1, 1869.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*May* 1, 1873.	*June* 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$221,589,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	200,000,000	200,000,000
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	1,051,002,300	1,050,002,300
	$2,107,835,350	$1,935,342,700	$1,853,856,700	$1,756,651,450	$1,746,305,950	$1,747,305,950
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$50,097,000	$64,618,832	$64,618,832	$64,623,512	$64,623,512	$64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	215,000	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$119,962,000	$122,847,194	$101,321,832	$82,081,512	$79,516,512	$79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$7,463,503	$7,315,822	$1,739,938	$4,084,220	$2,524,550	$2,156,270
BEARING NO INTEREST:						
United States Notes	$356,021,073	$356,101,086	$357,592,801	$358,642,295	$357,231 585	$356,082,622
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	45,664,625	45,276,542
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	24,787,400	30,448,600
Currency, do. do.	....	....	....	25,370,000	25,120,000	29,125,000
	$417,272,808	$422,245,175	$434,419,378	$452,997,356	$452,803,610	$460,932,864
Aggregate Debt	$2,652,533,662	$2,487,750,892	$2,391,328,848	$2,295,814,538	$2,283,150,622	$2,289,696,596
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	105,094,311	110,779,115
Debt, less coin and currency	$2,540,707,201	$2,349,664,320	$2,264,034,528	$2,186,208,689	$2,178,056,311	$2,178,917,481

Coin in the Treasury, June, 1873, $75,588,316; Currency, $35,190,799; total, $110,779,115.

THE LAW OF CERTIFIED CHECKS.

ERRORS IN CERTIFICATION.

Before the Marine Court of the City of New York, 1873.
SPAULDING, Judge.

Case of the Bank of North America, New York, against the Chemical National Bank.

The facts established by the evidence in this case are substantially as follows:

The firm of MORGAN & ALLEN, for some time prior to November 12th, 1872, had been dealers and depositors with the plaintiff. On the 8th of November, 1872, the firm had overdrawn their account, and at no time afterwards was it made good. No funds whatever had been deposited with plaintiff by said firm after the said 8th day of November.

October 10th, 1872, MORGAN & ALLEN made their promissory note for $500, payable thirty days after date, to the order of GEO. E. COCK, at the BANK OF NORTH AMERICA. This note matured November 12th. Prior thereto the payee indorsed it, and left it for collection with the defendant. On the day of its maturity the defendant presented the note to the plaintiff, and its teller, not knowing that the firm account was overdrawn, and believing that the firm had sufficient funds to their credit with the plaintiff to pay the note, certified the same in the usual way by writing his name across its face. The note as soon as certified was charged in plaintiff's books to the account of the firm, and on the same day, and immediately on the return of the certification to the defendant by its messenger, the defendant stamped the note "paid," and gave credit in its books for the amount to the payee. The evidence shows that neither the plaintiff, nor any of its agents, knew by whom the note was held, or by whom, or for whom the same was presented on the 12th day of November. Plaintiff and plaintiff's agents had no knowledge on this subject until the morning of the 13th November, and after the note had been returned to plaintiff by the Clearing House, when they for the first time learned that defendant held the note, had procured the certification thereof, and had received the money on it. On the 13th

November, immediately on receiving the note from the Clearing House, and not later than twelve o'clock of that day, plaintiff's cashier called on defendant at its place of business with the note, and stated to defendant's cashier that the note had been certified under a mistake of fact; that the account of the makers with plaintiff was not good for the amount, and requested to be permitted to erase the certification, and demanded a return of the money. Defendant refused. At this time the payee of the note had not been paid the proceeds of the collection. The defendant then held the funds.

The question presented by this state of facts is simply this: Can plaintiff recover against defendant as for money paid under a mistake of fact?

Defendant's counsel, on the argument, raised the point that the CHEMICAL BANK was not the proper party-defendant in this action; that the defendant acted simply as agent in making the collection, and that the owner, as principal, if any one, was liable. The objection is not well taken, for there is no proof in the case that defendant disclosed its principal, until after demand was made for the return of the money. If defendant wished to limit its liability, it should, at the time of presentment and certification, have declared its agency and disclosed the name of the person for whom it was acting. But this very point has been disposed of adversely to defendant in the case of the CANAL BANK *v.* THE BANK OF ALBANY (1 HILL, 287), wherein the Court holds that a bank, to which commercial paper is sent for the purpose of collecting it as agent, and which transacts the business without disclosing its agency, may be regarded and charged as principal by those with whom it thus deals.

Even when the agency is disclosed, and money has been paid to the agent for his principal under such circumstances that it may be recovered back from the latter, it may still be recovered from the agent, provided he has not paid it over nor altered his situation in relation to its principal.

LA FARGE *v.* KNEELAND, 7 COWEN, 455. This case refers as an authority to that of BUTLER *v.* HARRISON (COWP., 465) in which the agent had given credit to his principal and rendered him his account containing the credit; *held* that this did not amount to an alteration of the situation of the agent, and a recovery was allowed against the agent. And it is well settled, says SPENCER J., in HEARSEY *v.* PRUYN, (7 JOHNS, 179), that an action may be sustained against an agent who has received money to which the principal has no right if the agent has had notice not to pay it over. The demand of the plaintiff for a return of the money, and to be allowed to erase the certification, was in effect, though not in terms, a notice not to pay the proceeds of the note to COCK. I have, therefore, no hesitation in holding that the action is properly brought against the present defendant.

The legal effect of the certification of commercial paper by banks has been passed upon in numerous cases. In WILLETS *v.* THE

PHENIX BANK, (2 DUER, 131), the Court held that the certification of a check imported that the check was good when certified, and that it would be good when presented for payment, and an obligation on the part of the bank to retain sufficient funds of the maker to meet its payment.

MEADS *v.* THE MERCHANTS' BANK OF ALBANY, (25 N. Y., 148), was a case in which a bank had certified a promissory note. The Court held that the legal effect of such certification was, that the maker had deposited funds in the bank to meet the note, and that the bank then held the same on deposit for that purpose, and would pay the amount on request. But according to the course of business in New York City, between the Clearing-House Exchange and banks which effect their clearances through it, the certification of commercial paper by a bank means something more than a mere assumption of an obligation to pay the certified paper when presented. The certification is in effect an order for the Clearing House to pass the amount to the credit of the bank holding it, on presentation, and to charge the certifying bank with a corresponding amount. This credit the Clearing House on the morning of every day either pays in cash, or by debiting corresponding certifications to the account of the bank. It is precisely the same as if the certifying bank took the note and gave its check upon the Clearing House for a specified sum of money. In this case, upon the order implied from the certification on the morning of the 13th November, the Clearing House, on presentation, credited the defendant with the amount of the note and charged plaintiff. On the 12th the defendant treated the note as paid by stamping it "paid," and giving credit to its dealer for the amount. I am therefore of the opinion that the certification of this note operated in the law as a payment of it by the plaintiff on the 12th November.

Now, did plaintiff pay the note with a full knowledge of all the facts? The teller testifies that when the note was certified he did not know the makers' account had been overdrawn, and supposed they had funds sufficient to meet it. It therefore cannot be claimed that this was such a voluntary payment as defeats the right of recovery; because a payment is not such a voluntary payment which is made without a full knowledge of all the material facts.—(LAKE *v.* ARTISANS' BANK, 3 KEYES, 276.)

And it is no defense, as defendant insists, that plaintiff had within his reach the means of ascertaining the truth, and was negligent and omitted to use vigilance and care by which the mistake could have been avoided. It is not a question of diligence or care. The fact to be determined is, was there or not an error between the parties?—(KINGSTON BANK *v.* ELTINGE, 40 N. Y., 391. KELLY *v.* SOLARI, 9 M. & W., 54. MOWATT *v.* WRIGHT, 1 WENDELL, 356.)

Then principles of law will not permit defendants to retain this money, unless there is something in the case to take it out of the general rule that money may be recovered back which has been paid under a mistake of fact.

There is a class of cases in which banks certifying commercial paper by mistake have been held to their liability. They are cases in which the courts applied the principles of the law of *estoppel*. Many of these cases are cited in defendant's brief. An examination will show that the certified paper in controversy was negotiated to *bona fide* holders for value, or that the certification caused holders to lose their rights against indorsers. But there are *no such elements of damage in this case*. The note would not have been paid had it not been certified; for there were no funds of the makers with plaintiff to meet it. The erasure of the certification on the 13th November would have placed the owner in the same position he would have been in on the 12th without the certification. There were no indorsers to be released for lack of notice of non-payment and protest. Insolvency did not overtake the makers intermediate the certification and notice of its error. The defendant has paid nothing to its principal, and was under no legal liability to do so, if the payee as between him and plaintiff was not entitled to the money. I cannot comprehend how any one can be considered to have acted on the strength of the certification in the sense that would let in the rule of estoppel, or how the defendant could have been damaged by allowing the certification to be withdrawn. The effect of it would have been simply to restore the defendant and its principal to the same position they would have been in had the certification not been given.

The case of the IRVING BANK *against* WETHERALL (36 N. Y. 325) is nearer in point than any other I have been able to find.

In that case the certifying bank notified the bank holding the note that the certification was made under a mistake, and in time to enable the holders to charge the indorsers. The judges at the Circuit and General Term held that this timely notice relieved the certifying bank from their liability on the certificate. All of the Judges of the Court of Appeals concurred in the opinion approving of this view of the case.

It is true the decision of that case did not turn on the point referred to. The case was decided on another ground. But the concurrence of all the Judges of the various Courts through which that case passed, in the view of that feature of it to which I have alluded, amounts almost to an authority directly in point.

My conclusion is that plaintiff is entitled to recover the amount of the note as for money paid under a mistake, with interest from the 12th day of November, with costs and the usual allowance of $25.

Case of Bank of North America *v.* Chemical National Bank.

In order to illustrate further the recent case as to "Certification in Error," we now annex the several cases quoted by counsel or by the court, viz: I. *Butler* v. *Harrison.* II. *Canal Bank* v. *Bank of Albany.* III. *Hearsey* v. *Pruyn.* IV. *Irving Bank, N. Y.,* v. *Wetherall.* V. *Kelly* v. *Solari.* VI. *Kingston Bank* v. *Bank of New Paltz, N. Y.* VII. *Lake* v. *Artisans' Bank.* VIII. *Meads* v. *Merchants' Bank of Albany.* IX. *Mowatt* v. *Wright.* X. *Willets* v. *Phenix Bank.*

I. Butler *v.* Harrison. (*Page* 50.)

If money be paid by mistake to an agent, and placed by him to the account of his principal, but not paid over, money had and received to the use of the person so paying it by mistake, will lie against the agent. The mere passing such money in account or making rest, without any new credit given, fresh bills accepted or further sum advanced for the principal in consequence of it, is not equivalent to the payment of it over.—(Butler *v.* Harrison, *Cowper's Reports, p.* 565.)

II. Canal Bank of Albany *v.* Bank of Albany. (*Page* 50.)

The defendants, endorsees of a draft payable to B's order, received the same through several successive endorsements, B's name appearing as the first, and, as agents of their immediate endorser, but without disclosing their agency, presented it to the plaintiffs, by whom it was paid. The latter subsequently ascertained that the name of B was a forgery; and having notified the defendants of this fact, sued to recover back their payment.

Held, that though the defendants were innocent of any intended wrong, they had obtained money of the plaintiffs on an instrument to which they had no title, and were therefore bound to refund; and this, though notice of the forgery was not given till more than two months after they had received the money, and transmitted to their principal.

Held also, that the payee was not disqualified by interest from being a witness for the plaintiffs. None but the payee can assert any title to a bill or note payable to order, without his endorsement.

Semble, that if one accept a draft in the hands of a bona fide holder, he will not be allowed afterward to dispute the genuineness of the drawer's signature, though he may that of the endorser's; and payment operates, in this respect, the same as an acceptance.

Money paid by one party to another through a mutual mistake of facts, in respect to which both were equally bound to enquire, may be recovered back.

Semble, where a drawee of a draft has paid it to an innocent holder, on the faith of a forged endorsement, mere lapse of time in the abstract, however long, between the payment and notice of the forgery, will not deprive him of his remedy; provided he has incurred no unreasonable delay after discovery of the forgery.

Cases relating to the effect of delay in giving notice under these and similar circumstances, commented on, and some of them disapproved; especially COCKS *v.* MASTERMAN, (9 BARNWALL & CRESWELL, 902.)

Where several successive endorsees have advanced money on a draft payable to order, and it turns out that neither had title, by reason of the first endorsement being a forgery, each may recover from his immediate endorser.

A bank to which a draft is endorsed, and sent for the purpose of collecting it, as agent of the endorser, and which transacts the business without disclosing its agency, may be regarded and charged as principal by those with whom it thus deals. And it will be no answer, that it is the uniform custom of banks to transact such business without disclosing their agency. (CANAL BANK OF ALBANY *v.* BANK OF ALBANY, *Hill's New York Reports*, *Volume* 1, *page* 287.)

III. HEARSEY *v.* PRUYN. (*Page* 50.)

According to the true construction of the second section of the act, passed the 29th March, 1809, relative to the MOHAWK TURNPIKE AND BRIDGE COMPANY (Sess. 22, c. 189) the corporation cannot legally exact more than half toll, or $6\frac{1}{4}$ cents for crossing the bridge at Schenectady with a wagon and two horses, &c., from the inhabitants of the city of Schenectady, or from persons going to and from mills, &c. The discretion given to the corporation to mitigate the rate of tolls in such cases, is to be exercised only in reducing them below one-half.

The words in the act "going to and from mills" comprehend saw mills as well as grist mills. An action may be maintained against an agent who has received money, to which his principal has no right, if the agent has had notice not to pay the money over; and in some cases without such notice, if the money has not been actually paid over.

It seems that the right of a corporation to take toll may be tried in an action against the collector where notice is given him not to pay it over. If a plaintiff reads in evidence an act of the Legislature from a newspaper, which is admitted by the Court, and the defendant afterwards reads an exemplified copy of the same act, he cannot afterwards on *certiorari* allege for error the admission of the act read by the plaintiff, though not legal evidence.—(HEARSEY *v.* PRUYN, *Johnson's Reports*, *Volume* 7, *page* 179.)

IV. Irving Bank, N. Y., *v.* Wetherall. (*Page* 52.)

The customary certificate "good" by a bank at whose place of business a note is made payable is information merely that the maker has funds to meet the note.

This information may be furnished verbally, by letter or by a memorandum upon the note. The effect in each case is the same.

The bank making the certificate has the means of accurate knowledge, and is bound to state the fact correctly. It is estopped from denying the truth of its statement, where the presenting bank relies upon its accuracy and fails to protest the note for non-payment.

Where, however, a certificate of the goodness of a note is erroneously made, and the error is discovered and notice given to the presenting bank, in time for it to make a re-presentment and charge the indorsers, the certifying bank is discharged from further liability.

And where, in such case, the certifying bank, to relieve itself from supposed liability on such a certificate, paid to the other bank the amount of the note, received it back with the mark "paid" stamped upon it, presented it for payment, and gave notice of non-payment to the indorsers on the day of its maturity; *Held,* that the bank took the note as purchaser, and acquired the rights of a holder of the same, and could maintain their action against the indorsers of the note.—(The Irving Bank in the City of New York *v.* James Wetherall and others. *New York Reports of Courts of Appeals, Volume* 36, *page* 335.)

V. Kelly *v.* Solari. (*Page* 51.)

Money paid by the plaintiff to the defendant under a *bona fide* forgetfulness of facts, which disentitled the defendant to receive it, may be recovered back in an action for money had and received. It is not sufficient to preclude a party from recovering money paid by him under a mistake of fact, that he had the means of knowledge of the fact; unless he paid it intentionally, not choosing to investigate the fact.—(Kelly *v.* Solari, *Meeson & Welsby's Reports, Volume* 9., *page* 54.)

VI. Kingston Bank *v.* Bank of New Paltz. (*Page* 51.)

In an action to recover back money paid under a mistake of fact, it is no defense that the plaintiff had within his reach the means of ascertaining the truth; or that he omitted to use vigilance and care by which the mistake would have been avoided.

Nor is it any defense to such an action, that the defendant cannot be restored to his original position upon paying back the money.

The owner of a judgment upon which an execution has been issued, and a sale of personal property made thereunder, may main-

tain an action to recover back the money, received by the sheriff upon the sale, from one to whom it has been paid with such owner's assent under a mistake of fact. Accordingly, where the sheriff, having received an execution issued upon the defendant's judgment, and afterwards one upon a subsequent judgment of the plaintiff, against the same party, and before the last had run out, but after the sixty days had expired as to the first, made a levy upon personal property not sufficient to satisfy both, sold it and paid over the proceeds to the defendant in satisfaction of his prior execution, with the assent of the plaintiff, neither party knowing that that execution had run out before the levy, but supposing the contrary; *Held*, (DANIELS J. dissenting), that the latter could recover it back from the former as money paid under a mistake of fact; and this, although either might have easily learned the truth by inquiry of the sheriff, and although the defendant's judgment had been, in consequence of the receipt of the money, canceled and discharged of record.—(Argued March 31st, 1869, and decided June 11th, 1869. THE KINGSTON BANK, Appellant, *v.* ELTINGE, President of the HUGUENOT BANK OF NEW PALTZ. *New York Reports*, *Vol.* 40, *page* 391.)

VII. LAKE *v.* ARTISANS' BANK OF NEW YORK. (*Page* 51.)

Where a plaintiff was non-suited evidently upon a wrong issue, the evidence upon the real question being wholly ignored by the Court, it was held that the exception to such decision was sufficient to enable the Appellate Court to give an opportunity for the correction of the error, by reversing the judgment and ordering a new trial. That is not a voluntary payment which is made without a full knowledge of all the material facts, and constitutes no waiver of any rights to which the party making such payment was entitled before he could be legally charged.—(JARVIS N. LAKE, Appellant, *v.* THE ARTISANS' BANK, Respondent. *Keyes' Report of N. Y. Court of Appeals*, *Volume* 3, *page* 277.)

VIII. MEADS *v.* MERCHANTS' BANK OF ALBANY. (*Page* 51.)

The certification of a check as good, by the authorized officer of a bank, is equivalent to the acceptance of a bill of exchange payable on demand, and makes the bank primarily liable to the holder until discharged by payment, release, or the statute of limitations.

So of the certification as "good" of a promissory note payable at the bank, where the course of business between banks is, instead of actually paying the notes of customers when in funds on presentment, to mark them as good and settle in the exchanges of next day. Such certificate is an absolute engagement to pay the bank's own debt, and not a guaranty, or promise, for the benefit of a third person.

When a note is thus certified by the teller, falsely, the bank not

having the funds for its payment, it is liable only to a holder in good faith and for value.

A holder who, ignorant of the falsity of the certificate, treats it as payment and omits to charge an indorser, is entitled to recover. His delay, at the request of the maker of the note and for his accommodation, after its certification, to obtain actual payment, does not discharge the obligation arising from the certificate.—(MEADS, *Receiver, v.* THE MERCHANTS' BANK OF ALBANY. *New York Reports, Vol.* 25, *page* 143. *Smith's Reports N. Y. Court of Appeals.*)

IX. MOWATT *v.* WRIGHT. *(Page* 51.*)*

The action for money had and received lies to recover money paid by mistake; but the mistake which entitles a party to sustain the action, must be a mistake of fact. Where there is no fraud or mistake in matter of fact, if the law was mistaken, the rule applies that *ignorantia juris non excusat.* An error of fact takes place either where some fact which really exists is unknown, or some fact is supposed to exist which really does not exist; but where a person is truly acquainted with the existence or non-existence of facts, but is ignorant of the legal consequences, he is under an error of law.

It is now generally conceded that the mistake, to entitle a party to maintain his action, must be a mistake of fact and not of law. The cases founded on mistake seem to rest on this principle: that if parties, believing that a certain state of things exists, come to an agreement with such belief for its basis, on discovering their mutual error they are remitted to their original rights; but where money is paid on a claim of right made in good faith, and the party paying acts with as full knowledge of the facts as the party receiving, then, although the demand was unfounded, the payment cannot be recovered back, notwithstanding the facts should prove to be different from what they were believed to be by the party receiving, but not different from what the party paying supposed they were.

In such case, he who pays the money will be considered as giving it to whom he pays it, as making it his, and closing the transaction.

The lapse of time in bringing a suit to correct a mistake, though brought within the time prescribed by the statute of limitations, will be taken into consideration.—(J. E. MOWATT *and others v.* WRIGHT. *Wendell's Reports, Volume* 1, *page* 355.)

X. WILLETS *v.* PHENIX BANK. (*Page* 50.)

Before OAKLEY, Ch. J., DUER & PAINE, J. J., March 17, 1853.

A bank check, payable to the order of bills payable, as it cannot be passed by an endorsement, is, in judgment of law, payable to bearer.

It stands upon the same ground as a check payable to the order of a fictitious person.

The certifying of a check as "GOOD" is not a mere declaration of an existing fact, but creates a new and binding obligation on the part of the bank. The meaning is, not merely that the check was "good" when certified, but that it shall be "good" when presented for payment. A certified check is, therefore, as truly an absolute, unconditional promise to pay upon demand the sum which it specifies as an ordinary bank note; and laches, in making the demand, are no more imputable in the one case than in the other.

Held, upon these grounds, that the plaintiffs, holders for value, were entitled to recover the sum advanced by them upon four checks, certified by the defendants, although payment was not demanded until two months after the checks were certified, and in the interval the maker had withdrawn, upon other checks, all his funds from the bank. Judgment for plaintiff accordingly.—(WILLETS *v.* THE PHENIX BANK. *Duer's Reports, Volume* 2, *page* 121.)

THE CLEARING HOUSE.

At the meeting of the Bank Clerks' Mutual Benefit Association in December last, the following preamble and resolutions were unanimously adopted:

WHEREAS, In the settlement of balances, between the banks, legal-tender notes have been used to a large extent, rendering necessary the daily counting of millions of money, severely taxing in so doing the mental and bodily energies of the clerks; therefore,

RESOLVED, That the bank clerks of the city of New York tender to F. D. TAPPEN, Esq., President of the GALLATIN NATIONAL BANK, their heart-felt thanks for his earnest and successful efforts in securing the passage of an act of Congress, permitting the banks to deposit with the Assistant Treasurer of the UNITED STATES legal-tender notes, in exchange for certificates, to be used in settlement of balances through the Clearing House.

The practice by the Clearing House in liquidating daily balances in money is the only objectionable feature in the management of the corporation or association. There is no necessity for carrying four millions of dollars to the Clearing House daily, there to be counted twice, and to be counted before and afterwards by the bank tellers, making four countings per day, or sixteen to twenty millions daily.

The aggregate balances thus paid in the last fiscal year were officially reported as $1,428,582,707. Every dollar of this sum was counted at least four times, much to the inconvenience of the bank officers who paid it and others who received it, as well as of the Clearing-House clerks; to say nothing of the risks involved in carrying so much money unnecessarily to and from the Clearing House.

The plan pursued by the Clearing House in London is much more simple, more secure, and more economical. Every member keeps an account at the BANK OF ENGLAND, and draws a check for any debit balance against him. A depository should be selected and maintained by the Clearing-House Association of New York, so that each daily debit balance may be paid, by the cashier's check, into the depository. The creditor banks should be paid by the manager's check upon the deposit bank; the debit and creditor balances being precisely the same in the aggregate, the funds deposited each day would exactly meet the checks of the manager in discharge of balances due creditor banks.

It is true that the balances are at present largely liquidated by certificates for large sums; the fractional sums, only, being paid in money; but even this could be avoided by having a central deposit bank for the convenience of the members.

The only objection urged to this plan is, that it would be difficult for the banks to agree upon any one of the number as a depository; but this difficulty could be readily removed in order to effect more rapid settlements and to avoid loss of time to bank clerks and the present risks of carrying four millions per day to and from the association.

A MODEL BANKER.—In the sudden death of Mr. JOSEPH C. BUTLER, President of the LAFAYETTE BANK, of Cincinnati, that city has lost one of her foremost citizens. His character is justly depicted by the Cincinnati *Commercial* as follows:

He was one of our most clear-headed and far-seeing men of business, and his reputation for integrity was absolutely stainless. He was one of the men in whom the whole people had confidence, and there was no man whose judgment might be more safely consulted in affairs both public and private. He had been here so long, and had been so prominently identified with important interests, and his good works were so familiar, that it is but the simple truth to say of him that no citizen could have fallen whose loss would have been more sensibly and keenly felt by the people of Cincinnati. His admirable intelligence was seldom at fault in indicating the line of propriety, or the direction of profitableness in the transactions in which he was engaged. He was charitable, without ostentation or affectation of concealment, and was ever ready to advise those who needed instruction and to whom the fame of his business sagacity had commended him. The widow and the fatherless never appealed to him in vain for the counsel that was more precious than gifts of gold or silver. He was remarkable for the ease with which he managed matters in his care. His system of work was especially noticeable. He never seemed to be in a hurry. He completed transactions with a word written or spoken, and with no visible hesitation or worry. He always looked up from his desk with a bright face and a kind word. His facility gave him time, and he was master of himself.

COINS, COINAGE AND BULLION.

THE NEW SILVER TRADE DOLLAR.—The Secretary of the Treasury has fixed upon the devices for the new silver trade dollar authorized by the coinage act of 1873. It has for its obverse a female figure seated on a bale of cotton, and extending the right hand, grasping an olive branch, toward the open sea. In the left hand is a scroll bearing the word "Liberty," and at the base of the device is the motto, "In God we trust." The date of the coinage (1873) appears upon the obverse, together with the halo of thirteen stars. The reverse is the figure of an eagle with the inscription "UNITED STATES OF AMERICA," and the motto "E Pluribus Unum." The weight and fineness, with the words "Trade Dollar," are also inscribed on the reverse. The working dies will be commenced immediately at the Philadelphia mint, and the coins are expected to be ready about the middle of this month.

NEW COINS OF THE WORLD.—The BANKER'S ALMANAC for 1874 (being the twenty-third annual volume) will be issued early in January next, for which are in preparation the following subjects: I. Engraved views of several of the mints in operation in EUROPE, SOUTH AMERICA, AUSTRALIA, &c. II. Engraved views of the Bourse or Stock Exchange buildings of Paris, London, Lyons, Marseilles, and other leading cities of EUROPE (including that of Pompeii). III. Engraved fac similes of the new trade dollar of the UNITED STATES, and of new coins issued by foreign mints in the year 1873 (to be continued annually). IV. A list of banks and prominent bankers in the leading cities of EUROPE, ASIA, AUSTRALIA, SOUTH AMERICA, the UNITED STATES, &c. V. Statistics of the coinage of the UNITED STATES and of various countries of late years. VI. Statistics of the production of gold in all countries; with a variety of useful details relating to banks, coinage, stocks and bonds, (American and foreign,) railroads, &c. Information and suggestions for the new volume may be addressed to Editor of the BANKER'S MAGAZINE.

NEW COINS.—Mr. LOUIS A. GARNETT, manager of the United States Assaying and Refining Works at San Francisco, sends to the *Alta California* an interesting account of the new trade dollar shortly to be coined. He compares it closely with the Mexican dollar, to which it is to be superior not only in workmanship, but in quality, the comparison standing thus:

	Gr.	*Fine.*	*Grs. p.s.*	*Value as Comp'd with our Standard Dollar.*
New American trade dollar..	420	900	378	1,0182
Average Mexican dollar.....	417.88	902.77	377¼	1,0162

There is also the further advantage of uniformity; the Mexican dollars varying in weight and fineness, and commanding different rates of premium according to their devices—a serious inconvenience in large business transactions. This dollar is not a unit in our currency system, but "simply a stamped disk of uniform weight and fineness, and was designed with special reference to our commerce with CHINA and JAPAN." Under such conditions it becomes, of course, an article of merchandise manufactured for foreign use. The demand for it, like the demand for other merchandise, will depend upon whether profit or loss follows its export. Mr. GARNETT gives the cost of coinage as 2½ per cent. If the coin is melted up on arrival in CHINA, the expense of coinage is lost; and unless the United States Government or private shippers will bear this loss until the coin becomes current in the East, the demand for it will never appear. If it become current, and can be afforded to the exporter at a cheaper cost than the Mexican or bar silver, and in unlimited quantities, the effect will be to reduce the cost of exchange between the Western world—EUROPE as well as CALIFORNIA—and the East, to the extent of the lessened cost. As shown by the correspondence in the *Nation* of March 20, the success of the coin in becoming current as a measure of value in CHINA and JAPAN, would not change the course of Eastern trade or Eastern exchanges, as seems to be thought by the originators of the measure. All the silver produced in CALIFORNIA and MEXICO, in excess of their own wants, would continue to be exported as now; nor would it make any local difference, except a profit or loss to the United States Mint, whether it went away in bars of silver, in Mexican dollars, or in a fancy dollar of United States manufacture. The course of exchanges would continue to be governed, as now, by the ownership of the capital which carries on the trade. It may be remarked, in passing, that the extent of the use of the Mexican dollar in CHINA is greatly overrated. It is fully current only at the foreign outports at the South. It is used for household and personal expenses at the northern open ports, and, to a very limited degree, in a few interior districts closely connected with foreign trade. It is quite unknown through the greater part of the Empire.—*San Francisco Paper.*

The description of the devices for the new trade dollar, as given in newspaper slip, is correct.

The review of Mr. GARNETT'S article is, in the main, correct, but the cost of coinage, 2½ per cent., is incorrect. What Mr. GARNETT means is this:

Silver is valued in San Francisco at the old rate of $1.16\frac{4}{11}$ to the dollar: 412½ grains standard (old dollar) being valued at $1, 480 grains are worth $116\frac{4}{11}$ (cents). Now, taking this *fictitious* valuation, and calling it par as a basis, he puts the increase of weight in the new dollar at 7½ grains, as .... $1\frac{82}{100}$

Coinage charge,	$\frac{50}{100}$
Alloy charge ..	$\frac{17}{100}$
Per cent. ..	$2\frac{49}{100}$

By the foregoing he shows that if a depositor has a bar of standard silver, valued at the rate of $116\frac{4}{11}$ to the dollar, $2\frac{49}{100}$ per cent. will be taken from it when returned in trade dollars, *by tale.*

The confusion arising in the minds of intelligent men on this subject shows the absurdity of adhering in commercial transactions to a fictitious valuation. It has been abandoned everywhere except at San Francisco.

Silver having no longer with us a fixed and legal relation to gold, and being measured by the latter as the legal standard of value, should be dealt in, and quoted at its market value.

The new trade dollar will be used for three purposes:

1st. As bullion for manufacturing purposes it will command a slightly higher price than an equal quantity of pure or standard metal in bars, on account of uniformity of fineness, and being already alloyed, and both certified to by the Mint.

2d. For the same reasons it will be preferred for export.

3d. Being superior to the Mexican dollar in intrinsic value, and conforming more closely to the declared legal standards of fineness and weight, it is believed that it will supplant it in the trade with Eastern nations.

NEW PUBLICATIONS.

I. *Detail, Cottage and Constructive Architecture. By* Charles Hart, *New York. Quarto. Price, ten dollars.*

This new volume can be used with advantage in the construction of new banking houses. It contains seventy-five large lithographic plates, showing a great variety of designs for cornices, brackets, window caps, doors, piazzas, bay and dormer windows, observatories, towers, chimney tops, balconies, scrolls, stairs, newels, architraves, mantels, fences, &c., to which are added perspectives, elevations and plans of modern design for cottages, summer houses, villas and country houses. To the banker this volume supplies valuable details as to office furniture, including counters, desks, &c.

II. *Stock and interest tables; showing the matured and present value of bonds, stocks and other securities; together with annuities, compound and simple interest. By* John N. Stockwell, M. A. *Published by* D. Van Nostrand, *N. Y.*, 1873. *Quarto. Price, ten dollars.*

These tables are intended to show the present and matured values of bonds at 4, 4½, 5, 6, 7, 8, 9 and 10 per cent. In order to make this work more generally useful, tables of annuities and of compound and simple interest have been introduced. To the banker and capitalist this work possesses valuable features.

III. *Haines' Interlinear Interest Tables at* 6, 7, 8, 9 *and* 10 *per cent.* 18*mo. Bound in muslin.* 1873. *Price,* $ 1.50.

These tables are embraced in a pocket volume of 200 pages; arranged for the averaging of accounts; a new and admirable method which will greatly facilitate calculation and diminish liability to error. It seems a marvel that so simple and compact a system has not been long ago discovered.

IV. *Annual Report of* THO. DENNY & CO., *New York, on the stock fluctuations of the year* 1872. *Quarto. Price, five dollars.*

This volume embraces a comparative view of the changes for sixteen years in gold, U. S. stocks, State stocks, bank stocks, railroad shares and bonds, mining stocks, &c. The bond circular which accompanies the volume contains ample details as to the prominent railroad corporations now in use, as to their mortgages, bonds, shares, dividends, &c. The report is especially valuable to the savings banks of NEW YORK, NEW ENGLAND and other portions of the country.

Messrs. T. DENNY & CO. give close attention to the vagaries (sometimes called fluctuations) of the stock market of Wall Street. The record is a valuable one to all investors.

V. *The Statistical Annual, containing full tabulated reports on the leading branches of commerce and finance for the year* 1872, *compared with several preceding years. Quarto.* 1873.

This volume has been prepared under the direction of the New York Daily Bulletin Association, and supplies ample details as to the changes in the great staples of the country.

VI. *Littell's Living Age.*—LITTELL & GAY, Boston, Publishers.

The numbers of *The Living Age* for the weeks ending May 24th and 31st contain the following:—Public and Private Morality, by EDWARD A. FREEMAN, *Fortnightly Review;* Sir JOHN BURGOYNE, *Blackwood's Magazine;* The Colliers of Carrick, *Good Words;* Story of a French Refugee, *Chambers' Journal;* The Late Emperor's Superstition, *Spectator;* The Progress of the Spanish Revolution, *Spectator;* On Some Gradations in the Forms of Animal Life, *Fraser's Magazine;* The Bath Archives, *Athenæum;* The Story of the Death of THOMAS, Earl of Strafford, A. D. 1641, *Fraser's Magazine;* The Deluge (discovery of the native Babylonian account), *Academy;* with instalments of "The Parisians," by BULWER (Lord LYTTON); "Innocent," by Mrs. OLIPHANT, and "The Prescotts of Pamphillon," by the author of "DOROTHY FOX;" poetry and miscellany. The subscription price of this 64 page weekly magazine is $ 8 a year, or for $ 10 any one of the American $ 4 magazines is sent with *The Living Age* for a year.

TABLE FOR THE REDUCTION OF STERLING MONEY OF GREAT BRITAIN TO UNITED STATES GOLD COIN,

UNDER ACT APPROVED MARCH 3, 1873, FIXING THE VALUE OF THE £ STERLING AT $4.8665.

Prepared by the First Comptroller of the Treasury, April 1, 1873.

	0	1	2	3	4	5	6	7	8	9
£1	$4.8665	53.5315	58.398	63.2645	68.131	72.9975	77.864	82.7305	87.597	92.4635
2	9.733	102.1965	107.063	111.9295	116.796	121.6625	126.529	131.3955	136.262	141.1285
3	14.5995	150.8615	155.728	160.5945	165.461	170.3275	175.194	180.0605	184.927	189.7935
4	19.466	199.5265	204.393	209.2595	214.126	218.9925	223.859	228.7255	233.592	238.4585
5	24.3325	248.1915	253.058	257.9245	262.791	267.6575	272.524	277.3905	282.257	287.1235
6	29.199	296.8565	301.723	306.5895	311.456	316.3225	321.189	326.0555	330.922	335.7885
7	34.0655	345.5215	350.388	355.2545	360.121	364.9875	369.854	374.7205	379.587	384.4535
8	38.932	394.1865	399.053	403.9195	408.786	413.6525	418.519	423.3855	428.252	433.1185
9	43.7985	442.8515	447.718	452.5845	457.451	462.3175	467.184	472.0505	476.917	481.7835

NOTE.—To find the value of any number of pounds represented by one figure, find the figure in the left-hand margin of the table, and its value will appear in the column adjoining, opposite that figure. To find the value when expressed by two figures, look for the *tens* in the left-hand column, and for the *units* in the top margin, and the value will be shown in the place where the two columns meet; thus, the value of £57 is $277.3905. To find the value of £576, look for 57 as before, and move the decimal point one place to the right, and it shows $2773.905; then add £6 as already shown, $29.199, and it gives the sum of $2803.104.

ONE SHILLING EQUALS $24\frac{133}{400}$ CENTS. ONE PENNY EQUALS $2\frac{133}{4800}$ CENTS.

	s. 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
d. 0	....	.24	.48	.73	.97	1.21	1.46	1.70	1.94	2.19	2.43	2.67	2.92	3.16	3.40	3.65	3.89	4.13	4.38	4.62
1	.02	.26	.50	.75	.99	1.23	1.48	1.72	1.96	2.21	2.45	2.69	2.94	3.18	3.42	3.67	3.91	4.15	4.40	4.64
2	.04	.28	.52	.77	1.01	1.25	1.50	1.74	1.98	2.23	2.47	2.71	2.96	3.20	3.44	3.69	3.93	4.17	4.42	4.66
3	.06	.30	.54	.79	1.03	1.27	1.52	1.76	2.00	2.25	2.49	2.73	2.98	3.22	3.46	3.71	3.95	4.19	4.44	4.68
4	.08	.32	.56	.81	1.05	1.29	1.54	1.78	2.02	2.27	2.51	2.75	3.00	3.24	3.48	3.73	3.97	4.21	4.46	4.70
5	.10	.34	.58	.83	1.07	1.31	1.56	1.80	2.04	2.29	2.53	2.77	3.02	3.26	3.50	3.75	3.99	4.23	4.48	4.72
6	.12	.36	.60	.85	1.09	1.33	1.58	1.82	2.06	2.31	2.55	2.79	3.04	3.28	3.52	3.77	4.01	4.25	4.50	4.74
7	.14	.38	.62	.87	1.11	1.35	1.60	1.84	2.08	2.33	2.57	2.81	3.06	3.30	3.54	3.79	4.03	4.27	4.52	4.76
8	.16	.40	.64	.89	1.13	1.37	1.62	1.86	2.10	2.35	2.59	2.83	3.08	3.32	3.56	3.81	4.05	4.29	4.54	4.78
9	.18	.42	.66	.91	1.15	1.39	1.64	1.88	2.12	2.37	2.61	2.85	3.10	3.34	3.58	3.83	4.07	4.31	4.56	4.80
10	.20	.44	.68	.93	1.17	1.41	1.66	1.90	2.14	2.39	2.63	2.87	3.12	3.36	3.60	3.85	4.09	4.33	4.58	4.82
11	.22	.46	.70	.95	1.19	1.43	1.68	1.92	2.16	2.41	2.65	2.89	3.14	3.38	3.62	3.87	4.11	4.35	4.60	4.84

NOTE.—This table shows the value of every combination of shillings and pence less than £1; the upper margin representing the shillings, and the left-hand margin the pence. Thus, to find the value of 17 shillings and 6 pence, follow the column 17 downward until it meets the left-hand column opposite 6, and it shows $4.25. By this method any number of pounds, shillings, and pence can be reduced to United States gold quickly and accurately.

BANKING AND FINANCIAL ITEMS.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC. This is one of the most important features of the MAGAZINE, and one to the value of which additions may be made by bankers in the city and country.

The cards of Banks and Bankers are inserted in the BANKER'S MAGAZINE (monthly) at thirty dollars per annum, and in the BANKER'S ALMANAC (annually) at twenty-five dollars, and will thus reach every bank and banker in the UNITED STATES.

NEW HOLIDAY.—The Legal-Holiday Act, which has just passed the Legislature of New York, provides that the first day of January, commonly called New Year's Day, the 22d day of February, the 4th day of July, the 25th day of December, any general election day, and any day appointed or recommended by the Governor of this State or the President of the UNITED STATES as a day of thanksgiving, or as a day of fasting and prayer or other religious observance, the 30th day of May, to be known as Decoration Day, shall, for all purposes whatsoever as regards the presenting for payment or acceptance and of the protesting and giving notice of the dishonor of bills of exchange, bank checks, and promissory notes, **made after the passage of this act,** be treated and considered as the first day of the week commonly called Sunday, and as public holidays. Whenever one of the days above-named falls upon Sunday, the Monday following shall be observed as the holiday.

BANK TAXATION.—The impression seems to prevail among certain collectors of internal revenue that the act of December 24, 1872, which requires persons engaged in banking to make returns to the internal revenue officers of their capital, circulation and deposits semi-annually instead of monthly as heretofore, extends to the National banks, and in some instances National banks have been required to make such returns to internal revenue officers. This is incorrect. The law in question extends only to private and State bankers. The duty on the capital circulation and deposits of the National banks is payable to the Treasurer of the UNITED STATES in the same manner as heretofore. The Internal Revenue Office has issued a circular informing the Collectors in question that their action is not in accordance with law, and directing them not to report for assessment such returns as may have been received from National banks.

The Law of Stolen Bonds.—Bankers and merchants will be interested in the important case reported in the early portion of this number, wherein the UNITED STATES sue Messrs. VERMILYE & CO., bankers, Nassau street, N. Y., for the value of certain government bonds which were stolen from the ADAMS EXPRESS COMPANY, and which afterward were purchased at their market value by the banking firm. The Express Company having paid the consignors or remitters for the loss are now claimants, through the Treasury, for the bonds. The Express Company have in this instance recovered a verdict for the amount, and the case is now on appeal. Heretofore it has been considered that the holders of government bonds, payable to bearer, were, alike negotiable commercial paper,- entitled to possession, although the securities had been stolen.

BANK STATEMENTS.—Pursuant to law, the Bank Superintendent has designated the *New York Era* as the official newspaper to publish the weekly statements of the State banks, and statements will appear in that journal every Tuesday morning. The *Era* can be had at the news depots, or at the office of publication, No 132 Nassau Street.

THE NEW YORK STOCK EXCHANGE.—The following is the government of the Stock Exchange as organized for the present year:

GOVERNING COMMITTEE.

President, H. G. Chapman. Vice-President, John B. Norris. Secretary, B. Ogden White. Treasurer, D. C. Hays.

Class 1.—To serve one year.—A. B. Baylis, A. S. Peabody, H. S. Wilson, G. H. Brodhead, J. K. Warren, S. T. Russell, J. Benjamin, A. M. Cahoone, W. Kimball, T. S. Ferry.

Class 2.—To serve two years.—John Ten Brook, A. D. Williams, John D. Prince, A. A. Drake, W. K. Soutter, D. B. Hatch, R. K. Cooke, R. L. Cutting, Jr., G. L. Haight, Chas. M. Stead.

Class 3.—To serve three years.—W. Seymour, Jr., W. B. Clerke, Frederick White, J. B. Norris, H. H. Hollister, E. S. Munroe, W. S. Nichols, G. W. Fuller, Reuben Manley, W. E. Strong.

Class 4.—To serve four years.—Edward King, J. R. Garland, Alfred Colvill, E. Brandon, G. H. Watson, G. W. McLean, Jacob Hays, 2d, Donald Mackay, John T. Denny, Brayton Ives.

STANDING COMMITTEES.

Finance.—Edward King, A. B. Baylis, W. B. Clerke, with the president and treasurer.

Arrangements.—G. L. Haight, W. K. Soutter, A. A. Drake, R. K. Cooke, S. T. Russell, T. S. Ferry, F. White.

Admissions.—G. H. Watson, W. Seymour, Jr., G. H. Brodhead, A. M. Cahoone, Geo. W. Fuller, John Ten Brook, H. S. Wilson, F. White, W. K. Soutter, J. R. Garland, Donald Mackay, G. W. McLean, W. S. Nichols, G. L. Haight, J. B. Norris.

Securities at Large.—Edward Brandon, J. Benjamin, Brayton Ives, Warren Kimball, W. E. Strong.

Government Securities.—S. T. Russell, W. E. Strong, Jacob Hays, 2d, C. M. Stead, D. B. Hatch.

Stock Lists.—A. D. Williams, A. S. Peabody, A. B. Baylis, John T. Denny, R. Manley.

Arbitration.—E. S. Monroe, G. H. Brodhead, Alfred Colvill, R. L. Cutting, Jr., J. K. Warren, H. S. Wilson, W. S. Nichols, C. M. Stead, G. W. McLean.

Law.—John T. Denny, Warren Kimball, R. L. Cutting, Jr.

Commissions.—G. H. Watson, J. D. Prince, H. H. Hollister.

Printing.—A. M. Cahoone, D. B. Hatch, John Ten Brook.

Regular Meetings of Committees.—Governing Committee, second and fourth Wednesdays of each month. Committee on Admissions, Thursday of each week. Arbitration Committee, Tuesdays and Fridays of each week. Committee on Stock Lists, first Monday of each month.

Trustees of Gratuity Fund—Edward King, to serve one year; M. L. B. Martin, to serve two years; John R. Garland, to serve three years; S. V. White. to serve four years; W. M. Parks, to serve five years.

STOCK EXCHANGE.—In accordance with a request of the members, the Governing Committee of the Stock Exchange resolved to tender a suitable testimonial to the retiring President, EDWARD KING. The resolution expresses the obligations of the committee to Mr. KING, and provides for the appropriation of $2,000 for securing a testimonial to be presented by a sub-committee, composed of GEORGE W. MCLEAN, GEORGE H. BRODHEAD, and G. W. FULLER.

THE STOCK EXCHANGE.—On the 29th May, the flag of the Exchange was at half mast, as a mark of respect to the memories of Mr. E. D. STANTON and Mr. H. V. R. VAN DYCK, whose deaths were announced at the first session of the Board. There have now been six deaths in the Exchange since the adoption of the new life-insurance plan.

STOCK EXCHANGE HOURS.—The business hours of the Exchange for the four months ending September 30th are to be from 10 A. M. until 3 P. M.

PACIFIC MAIL S. S. CO.—At the annual election of Directors of this company, held on the 28th May, the following shareholders were elected Directors for the ensuing year: GEORGE H. BRADBURY, P. W. PARK, JAMES D. SMITH, JOHN M. BURKE, CHARLES J. OSBORN, RUSSELL SAGE, GEORGE S. SCOTT, GEORGE H. PALMER, RUFUS HATCH. The total number of votes were 151,802, and at a meeting of the Board held 28th instant, the following officers of the company were unanimously elected, viz.: President, GEORGE H. BRADBURY; Secretary, THEODORE T. JOHNSON: Treasurer, HENRY SMITH.

BANK OF BRITISH NORTH AMERICA.—The recent dividend of this bank was *ten* per cent. instead of *two* as the types made it appear in our last number.

THE MUTUAL BANK.—On the 20th May, the MUTUAL BANK of this city suspended operations. The winding up of its affairs was on an amicable basis, though involuntary. The bank did only a small but perfectly safe business—about $ 250,000 per week, and the stockholders finding that it was useless to pay a rent of $ 14,000 a year when the receipts were not sufficient to afford a profit, wisely resolved to close up its business.

New York.—At the annual election for Directors of THE PRODUCE BANK, Park Place and College Place, N. Y., in May last, the following gentlemen were elected for the ensuing year: Alfred Bennett, Thos. P. Wallace, Eugene Elsworth, Isaac Rosenwald, W. B. C. Carpenter, S. G. Courtney, S. T. Wygant, J. Van Schaick S. T. Meyer, Thos. H. Walter, N. H. Decker, William Buck, Richard Vose, James Kay, Thos. L. Raymond, E. Greenfield, F. H. Leggett, W. H. Woglom. At a subsequent meeting of the Board of Directors Mr. T. L. RAYMOND was unanimously re-elected president. J. Z. WESTERVELT, Jr., A. Cashier.

Removals.—Messrs. EUGENE KELLY & CO. have removed from No. 34 Pine to No. 45 Exchange Place, where they issue bills on SMITH, PAYNE & SMITHS, London; and also on the CONSOLIDATED BANK, London; HOTTINGUER & CO., Paris; and on DONAHUE, KELLY & CO., San Francisco. The BANK OF NORTH AMERICA has removed from No. 44 Wall to 37 Wall street, pending the erection of their new banking house at No. 44.

The trustees of the WILLIAMSBURGH SAVINGS BANK have adopted a series of appropriate resolutions on the occasion of the death of their late associate, Mr. WATERBURY. The action of this body expresses only the sentiment of all who knew Mr. WATERBURY, who was a man of the highest character for integrity.

CALIFORNIA.—The FIRST NATIONAL BANK OF SANTA BARBARA, Santa Barbara County, (No. 2104), was organized in May, with a capital of $ 50,000, limited to $100,000. President, MORTIMER COOK; Vice-President, JOHN EDWARDS; Cashier, AMASA L. LINCOLN. Their New York correspondent is the FOURTH NATIONAL BANK. The new bank succeeds to the business of MORTIMER COOK.

CONNECTICUT USURY LAW.—The Senate passed on June 19th the usury law fixing the rate of interest at 7 per cent.

ILLINOIS.—ALLEGED COUNTERFEITER AND FORGER ARRESTED.—Special Treasury Agent BAILEY arrested at Springfield, June 15, for counterfeiting and forgery, one MERRILL, *alias* MOORE, *alias* MORRIS, and probably other *aliases*. On his person were found blank drafts on the FIRST NATIONAL BANK, of Memphis, the NATIONAL BANK, of Grand Rapids, MICHIGAN, and two or three National banks in VERMONT. He also had a letter of credit, presumed to be forged, purporting to come from a banking house in Utica, N. Y.

A BANK WITHOUT CAPITAL.—At a meeting in Chicago, June 18, of the creditors of the FARMERS' BANK, a small private banking institution which closed its doors a few days before the fact was developed that the proprietors, two brothers named TEN EYCK, commenced business without a dollar of capital—not even enough to pay for fitting up their bank or to pay their rent—

but, nevertheless, succeeded in securing deposits amounting to a few thousands of dollars.

IOWA.—The DUNLAP BANK, at Dunlap, Harrison County, IOWA, has been organized under a State charter. President, L. KELLOGG; Cashier, G. W. THOMPSON; with a capital of $ 25,000. Their New York correspondents are Messrs. ALLEN, STEPHENS & CO., No. 12 Pine street.

Charles City.—The banking firm of E. C. CHAPIN & CO., at Charles City, Floyd Co., IOWA, has been dissolved, and is succeeded by the new firm of FAIRFIELD & BALCH at the same place. Their New York correspondent is the NINTH NATIONAL BANK.

KANSAS.—By act of Congress, the name of the KANSAS VALLEY NATIONAL BANK OF TOPEKA has been changed to the FIRST NATIONAL BANK OF TOPEKA. The capital remains at $ 100,000. President, DANIEL M. ADAMS; Cashier, CHARLES N. RIX. Their New York correspondent is the FIRST NATIONAL BANK.

MORTGAGES AS COLLATERALS.—The United States Circuit Court for the district of KANSAS has decided, in accordance with the decision of the Supreme Court of PENNSYLVANIA, in the case of FOWLER *v.* SCULLY, that National banks cannot enforce a mortgage given for advances of money to be made, though for debts already due a mortgage can be enforced.

MASSACHUSETTS.—The following new National Banks were organized in May:

Ashburnham.—THE FIRST NATIONAL BANK OF ASHBURNHAM, Worcester Co., (No. 2,113), was organized in June. President, GEORGE C. WINCHESTER; Cashier, GEORGE W. EDDY.

Boston.—THE MANUFACTURERS' NATIONAL BANK OF BOSTON, (No. 2,111). President, EDWARD TURNER; Cashier, FRANCIS E. SEAUR; capital, $ 500,000, limited to $ 1,000,000. THE FIRST WARD NATIONAL BANK OF BOSTON, (No. 2112). President, WILLIAM L. STURTEVANT; Cashier, HENRY A. ROBERTS; capital $ 100,000, limited to $ 200,000.

Watertown.—THE UNION NATIONAL BANK OF WATERTOWN, (No 2,108). President, GEORGE N. MARCH; Cashier, JOHN K. STICKNEY; capital, $ 100,000.

Boston.—In the United States District Court at Boston, on Tuesday, June 3d, Mr. J. L. SAVAGE, lately Cashier of the LECHMERE NATIONAL BANK of East Cambridge, MASS., was sentenced to five years' imprisonment in the Lowell jail for defrauding the bank.

Clearing House, Boston.—At the annual meeting of the Clearing-House Association, held in May, the following-named gentlemen were elected officers for the year ensuing: JAMES H. BEAL, Chairman; HENRY B. GROVES, Secretary; Clearing-House Committee, THOMAS LAMB, A. D. HODGES, BENJAMIN E. BATES, SAMUEL H. WALLEY, and JOHN CUMMINGS. By the report of the manager it appears that the aggregate exchanges for the past year have been $ 2,674,943,559. The aggregate balances received and paid during the same time have been $ 308,604,070. The excess in the exchanges over the year preceding has been $ 179,168,701. By the first annual report of this institution, made in the spring of 1857, it appeared that the exchanges for the year had been $ 1,415,923,238, thus showing by the report of this year the increase in the yearly transactions of the Clearing-House to be $ 1,259,020,321.

Chelsea.—At the annual meeting of the CHELSEA SAVINGS BANK CORPORATION, in May, 1873, Mr. JOHN H. OSGOOD was elected President, and Miss LOUISA J. FELLOWS was made Secretary. This is a class of appointments well adapted for educated females. The duties pertaining to this responsible office may as well be performed by female accountants as by males.

MINNESOTA.—The business of the Duluth House of E. W. CLARK & CO. has been transferred to the BANK OF DULUTH, organized under the general banking law of MINNESOTA. Mr. B. S. RUSSELL, who has been resident partner and manager at Duluth of the former firm is the President; Mr. C. P. BAILEY, Cashier, and Mr. J. Q. ADAMS, Assistant Cashier.

MISSOURI.—The Bank Clerks' Mutual Association of MISSOURI was held in May, at the office of Messrs. BARTHOLOW & LEWIS, bankers. In the absence of the president and vice-president, Mr. H. G. SMITH, cashier of the FIRST NATIONAL BANK, Palmyra, Mo., was chosen chairman. The reports of the president, secretary and treasurer were read and ordered filed. From these reports it appears that there are now 157 members, an increase of forty-five during the year. There have been three deaths and seven resignations; paid to the families of deceased members, $710; current expenses, $123.85; balance in the treasury, $1,225.19. After the reading of the reports, the following were elected members of the association: J. C. VAN BLARCOM, J. A. BURNHAM, NICHOLAS A. HOOK, HERMAN H. DUEKER, St. Louis, and SAMUEL D. SOUTH, Palmyra, Mo.

The officers, directors and trustees for the ensuing year, were then elected, as follows:

President, C. R. GOODIN; Vice-President, GEO. D. BARKLAGE; Recording Secretary, E. A. MEYSENBURG; Corresponding Secretary, WILLIAM C. LITTLE; Treasurer, O. E. OWEN.

Directors.—CHARLES KERN, HENRY GROSS, F. F. STOEWENER, CHARLES S. JONES, G. DASCHEL, W. W. BELL, H. H. WERNSE, V. L. RUNYAN, JULES DESLOGE, W. KIESELHURST, T. F. IGLEHART and T. B. MOORE.

Trustees.—T. J. BARTHOLOW, J. H. MCCLUNEY, T. A. STODDARD, WM. SHIELDS, E. C. BRECK.

A committee on resolutions, of Messrs. O. E. OWEN, H. C. SMITH and J. T. HOWENSTEIN was appointed and reported as follows: *Resolved,* That the thanks of this association are hereby tendered to our late worthy and esteemed president, General WILLIAM SHIELDS, who was so largely instrumental in the organization of this association, and who has labored so faithfully and ably to promote its success and prosperity; and that this association is deeply obligated to him for his untiring and disinterested zeal in its behalf, and for his kind expression of interest for the future of the association, as given in his letter declining a re-election as its president.

St. Louis.—The IRON MOUNTAIN BANK, of St. Louis, has commenced business at No. 810 South Fourth Street, under a State charter of March, 1873. The capital is $300,000, of which ten per cent. has been paid in. President, RUDOLPH W. ULRICI; Vice-President, NEWEL G. LARIMORE; Cashier, RUDOLPH J. SCHENCK. Their New York correspondent is the MERCANTILE NATIONAL BANK.

DISAPPEARANCE OF A BANK CASHIER.—WILLIAM A. STUMPE, cashier of the MARKET STREET SAVINGS BANK, in St. Louis, has disappeared mysteriously. It is stated that an examination of his accounts reveals a deficit of some $2,000 on overdrawn account; also, that he borrowed $2,500 of the cashier of another savings bank.

St. Louis.—The MULLANPHY SAVINGS BANK commenced operations March 1, 1873, under a State charter, at No. 1,601 Broadway, corner of Mullanphy street, St. Louis, with a subscribed capital of $300,000; of which $60,000 has been paid. President, ALBERT SCHULHERR; Vice-President, F. G. NEIDRINGHAUS; Cashier, CHARLES E. KIRCHER. Their New York correspondent is the GERMAN-AMERICAN BANK.

Tipton.—The BANK OF TIPTON has been established with a capital of $100,000. B. F. REAVIS, President; H. A. TOMPKINS, Cashier. Both the president and cashier of this bank are well known as successful business men, and have the entire confidence of their community as worthy of trust and capable to fill the responsible positions now occupied by them.

NEBRASKA.—A new bank has been organized at Lincoln called the MERCHANTS' BANK. It is incorporated under the State law, and among the stockholders are a number of the wealthy business men of that region.

At a meeting of the directors, the following officers were chosen: President, JOHN FITZGERALD; Vice-President, A. C. RUDOLF; Cashier, GEO. P. EATON. The card of the new bank will be found on the cover of this number.

NEW JERSEY.—FRAUDULENT ALTERATION OF A CHECK.—GEORGE MARKS has been convicted in the Essex County Court, at Newark, of raising a check from $20 to $690, and was sentenced to ten years in the State prison. It having been discovered that a plot was on foot to effect his escape, Sheriff GAMBLE took him down to Trenton in the noon train. MARKS got the check from a saloon keeper in exchange for a $20 note, on the pretext that he wanted to send the check to a friend in the country. It was then raised to the amount stated, presented at the bank, and as the signature was recognized as genuine, the amount was paid without hesitation. When the fraud was detected the drawer of the check insisted that he was only liable for the amount he had drawn the check for, while the bank insists that having given the check, he was liable for the whole amount. A suit is to be brought to test the matter.

GRACE ON DRAFTS.—The following is the law recently enacted:

Supplement to an act entitled "An Act relating to commercial paper," approved March twelfth, one thousand eight hundred and sixty-two.

1. Be it enacted by the Senate and General Assembly of the State of NEW JERSEY, that all bills of exchange or drafts drawn, payable at no fixed time or period, or on demand, or on presentation at any place within this State, other than those upon banks or banking associations, shall be deemed due and payable at the expiration of three days' grace, after the same shall be presented for acceptance. [Approved April 2, 1873.]

When it is not intended to allow grace, the words "*Without grace*" should always be inserted in such drafts.

NEW SAVINGS BANKS.—Five new savings banks were incorporated in the State of NEW YORK in the year 1872, viz.:

I. COLLEGE POINT SAVINGS BANK.
II. PORT RICHMOND SAVINGS BANK.
*III. RIVERHEAD SAVINGS BANK, Riverhead, Suffolk County, (Long Island.)
*IV. WALDEN SAVINGS BANK, Walden, Orange County.
* V. WHITESTONE SAVINGS BANK, Whitestone, Queen's County.

Those marked * have commenced business. The increase of savings deposits in this State has been as follows:

		Deposits.		No. Depositors.
January, 1859	....	$48,194,000	....	——
" 1864	....	93,786,000	....	——
" 1870	....	194,360,000	....	——
" 1871	....	230,749,000	....	——
" 1872	....	267,905,000	....	776,700
" 1873	....	285,286,000	....	822,642

In addition to the deposits, there are surplus accumulations of interest, advance in securities, &c., $19,776,000, equivalent to nearly seven per cent.; out of which dividends would be payable in January last.

NEW YORK.—At a meeting of the depositors of the ATLANTIC NATIONAL BANK, of New York, a statement was read, showing the cash in the bank to be $312,194, and trustworthy assets $137,000, making altogether about 75 per cent. of its liabilities. It was stated that a dividend of 30 or 40 per cent. would be declared within a short time. The defaulting cashier of this bank set up a plea for the quashing of the indictment against him on these grounds:

1. That his bank was not properly authorized to set up as a National bank.

2. That his indictment was defective in that it did not specify the time and place of his embezzlement.

3. That the prisoner's health had suffered so much from the great strain upon his physical and mental system that he was unfit to go to trial.

Bnt these points were steadily overruled. He will be tried at the June term of the United States District Court.

Bowles Brothers.—Judge FANCHER has refused an application for an order compelling the New York Receiver in the case of BOWLES BROS. to turn over all the property in his hands to the assignee in bankruptcy appointed in CONNEC-

TICUT, notwithstanding the attachments put on to property in New York, at the instance of Messrs. MILLER & HURD, creditors of the firm.

Chatham Village.—The COLUMBIA BANK of W. A. WOODBRIDGE & CO., at Chatham Village, (formerly conducted under the State banking law,) has suspended, creating great excitement in the village, as nearly every business man there had money deposited. The utmost confidence was reposed in the institution. The cause of the failure is not made public, but it is supposed that the recent collapse of the Columbia Paper Company involved the bank heavily.

THE WALKILL NATIONAL BANK.—The Comptroller of the Currency has declared a third dividend of 25 per cent. in favor of the creditors of the WALKILL NATIONAL BANK, of Middletown, N. Y., making in all dividends of 75 per cent.

PENNSYLVANIA.—The PENN BANK has commenced business at No. 118 Wood street, Pittsburgh, PA., under a charter granted April, 1872. President, JAMES H. HOPKINS; Treasurer, JACOB H. WALTER; Cashier, WILLIAM N. RIDDLE. Their New York correspondent is the IMPORTERS & TRADERS' NATIONAL BANK.

Philadelphia.—The personal property and effects of HARRISON GRAMBO, the embezzling stock broker, have been sold by public sale. The property, valued at $ 80,000, brought $ 11,000 from the auctioneer's hammer.

Pittsburgh.—The liabilities of S. R. McLEAN & CO., bankers, who suspended in June, cannot be acertained. It is alleged that the depositors' accounts will reach $60,000, the rest being divided among banks and bankers. The assets are said to be considerably in excess of the liabilities, and it is thought an amicable settlement will be made at an early day.

A Shoe and Leather Savings Bank has been established in Pittsburgh by parties in the shoe and leather interest.

TEXAS.—The CITY BANK OF SHERMAN has been established at Sherman, Grayson County, with a capital of $200,000. JAMES S. PORTER, president; C. C. JONES, cashier. Mr. PORTER, the president, is an old citizen of Sherman, and is favorably known for his public spirit and financial resources. Mr. JONES, the cashier, was several years Cashier of the FIRST NATIONAL BANK of Clinton, Mo., and more recently of the successful banking house of POAK & JONES of Sherman.

VERMONT.—The NATIONAL BANK OF BARRE, Washington County, (No. 2,109), was organized in May, with a capital of $ 200,000. President, NORMAN W. BRADLEY.

VIRGINIA STATE BONDS.—The Second Auditor announces that the interest of the public debt for July 1, 1873, as presented by the act of March 13, 1873, will be paid at Richmond, on and after 1st July. The sterling interest will be paid in London by BARING BROTHERS, the board constituted by the act of March 13, 1873, to consider that question, having determined that the unpaid balances of interest for January or July, 1872, as provided by the act of March 19, 1872, shall also be paid on and after 1st July. Where stock has not been funded the old bonds or certificates must be presented at Richmond, in order that the interest paid thereon may be stamped on such stock.

WYOMING.—The WYOMING NATIONAL BANK, of Laramie City, Albany County, (No. 2,110), was organized in May, with a capital of $ 50,000. President, EDWARD IVINSON; Cashier, A. G. SWAIN.

WISCONSIN.—Mr. FREDERICK HURLBUT has been elected Vice-President of the NATIONAL BANK OF COMMERCE OF GREEN BAY. Mr. GEORGE A. LAWTON remains President; EDWARD DECKER Cashier; capital, $ 100,000.

CANADA.—Sir FRANCIS HINCKS has been elected President of the CITY BANK OF MONTREAL, and WILLIAM WORKMAN Vice President.

THE CANADIAN PACIFIC RAILWAY.—It is stated in Montreal that Sir HUGH ALLEN and colleagues have succeeded in making arrangements in London for the immediate supply of a large portion of the capital required for building the Canadian Pacific Railway, the remainder to be furnished as the work proceeds.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from June Number, page* 996.)

NEW YORK.

Samuel Campbell, 25 William. Craven & Co., 11 Wall.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Camden, ARK	David C. Tuttle	Bank of America.
Pueblo, COL	People's Bank	Donnell, Lawson & Co.
West Winsted, CONN.	Gilbert & Gay	Importers & Traders'N.B.
Brunswick, GEO	David T. Dunn	John J. Cisco & Son.
Mount Vernon, ILL	Evans, Wilbanks & Co	Geo. Opdyke & Co.
Rockford, "	People's Savings Bank	....
Dyersville, IOWA	Koch Brothers	Greenbaum Bros. & Co.
Greene, "	Chas. V. McClure	Austin Corbin.
Estherville, "	Howard Graves & Co	German-American Bank.
Garnett, KANSAS	Anderson County Savings Bank.	Ninth National Bank.
Burlingame, "	Burlingame Savings Bank	Northrup & Chick.
Baltimore, MD	Clabaugh, Nelson & Co	Hallgarten & Co.
Boston, MASS	Manufacturers' National Bank	....
" "	First Ward National Bank	....
Ashburnham, "	First National Bank	....
Watertown, "	Union National Bank	....
Staunton, MICH	Howe & Chapin	Ninth National Bank.
St. Louis, Mo	Bank of North America	Northrup & Chick.
" "	Hibernia Savings Bank	Nat. B'k of the Republic.
Joplin, "	Bank of Joplin	....
Tipton, "	Bank of Tipton	Donnell, Lawson & Co.
Lincoln, NEB	Merchants' Bank	....
College Point, N. Y.	College Point Savings Bank	....
Port Richmond, "	Port Richmond Savings Bank	....
Riverhead, L. I., "	Riverhead Savings Bank	....
Walden, "	Walden Savings Bank	....
Whitestone, "	Whitestone Savings Bank	....
Cincinnati, OHIO.	German Banking Co	....
Seville, "	Bank of Seville	Ninth National Bank.
Tiffin, "	Tiffin Savings Bank	Third National Bank.
Upper Sandusky, "	Central Bank	Jay Cooke & Co.
Watsontown, Pa	Watsontown Bank	Henry Clews & Co.
Pittsburgh, "	Penn Bank	Importers & Traders'N.B.
Harrisburg, "	Farmers' Bank	Jay Cooke & Co.
Dallas, TEXAS	City Bank of Dallas	....
Sherman, "	City Bank of Sherman	Donnell, Lawson & Co.
Weatherford, "	J. R. Couts & Co	....
Abingdon, VA	Lynchburg Banking & Ins, Co.	Union National Bank.
" "	Bank of Abingdon	....
" "	Far. B'k of Lynchburg (*agency*)	....
Goodson, "	Exchange Bank	National Park Bank.
Barre, VT	National Bank of Barre	....
Laramie City, WYO.	Wyoming National Bank	....

CHANGES OF PRESIDENT AND CASHIER.

June, 1873.

(Monthly List; continued from May No., page 915.)

The MAGAZINE contains a monthly list of changes of president and cashier of National and State banks. Notices of future changes are requested for publication, for the information of banks generally. Another feature of the work, is a list of dissolutions of banks and bankers, discontinuances and failures.

Name of Bank.	*Elected.*	*In place of*
First N. B., Tuscaloosa, ALA...	J. M. Lester. *Cash*	F. S. Moody.
First N. B., Davenport, IOWA..	H. Price, *Pres.*	Ira M. Gifford.
Iowa " Ottumwa, " ..	E. S. Sheffield, *Cash.*	J. B. Field.
Nat. B. Illinois, Chicago, ILLS.	Henry H. Nash, *Cash.* ...	Wm. M. Scudder.
North W. N. B. " " .	James D. Sturgis, *Cash...*	......
Cook Co. N. B., " " .	B. F. Allen, *Pres.*	D. D. Spencer.
State Sav. Inst'n, " " .	D. D. Spencer, *Pres*	John C. Dore.
Miners' N. B., Braidwood, " .	D. N. Cobb, *Pres.*	John H. Daniels.
First Nat. Bank, Cairo " .	R. W. Miller, *Pres.*	D. Hurd.
" " " " .	Chas. Cunningham, *Cash.*	Cicero N. Hughes.
First N. B., Fairbury, " .	J. D. Weaver, *Cash.*	N. E. Lyman.
Dixon " Dixon, " .	F. A. Truman, *Pres.*	H. B. Jenks.
Gallatin " Shawneetown, " .	R. W. Townsend, *Cash.* ..	F. C. Crawford.
Union N. Bank, Aurora, " .	H. C. Paddock, *Pres.*	J. R. Coulter.*
" " " " .	T. B. Coulter, *Cash*	H. C. Paddock.
First N. Bk, Lafayette, IND..	A. H. Byrns, *Cash.*	D. McBride.
" " Marshalltown, " .	Geo. Glick, *Pres.*	C. M. Woodbury.
" " Newport, " .	S. S. Collett, *Cash*	A. Sexten, *Acting.*
" " Rockville, " .	Nathan Pickett, *Pres*	A. McCune,
Muscatine Nat. Bank, " .	B. F. Coombs, *Cash.*	F. L. Underwood.
First Nat. Bank, Osceola, " .	M. W. Messinger, *Cash...*	Wm. Christy.
Emporia Nat. Bank, KAN......	P. B. Plumb, *Pres.*	L. T. Heritage.
" " "	L. T. Heritage. *Cash*	I. E. Perley.
Osage City Sav. Bank, "	B. Haywood, *Pres.*	I. R. Swallow.
Bank Kentucky, Louisville, KY.	Tho. L. Barret, *Pres.*	H. A. Griswold.*
" " "	W. G. Hume, *Cash.*	Tho. L. Barret.
Far. & Trdrs', Shelbyville, "	J. L. Caldwell, *Pres.*	J. D. Guthrie.
" " " "	J. T. Middleton, *Cash*	J. L. Caldwell.
Clark Co. N. B., Winchester, "	John W. Bean, *Pres.*	T. H. Robinson.
Teutonia N. B., N. O., LA.....	Charles Pithoff, *Pres.*	Rudolph Sieg.
" " "	J. M. Wagner, *Cash.*	.....
N. Hide & L. B., Boston, MASS.	William Claflin, *Pres.*	Daniel Harwood.
Pocasset N. B., Fall River, " .	Weaver Osborn, *Pres.*	S. Hathaway.*
Northborough Nat. B. " .	Wilder Bush, *Pres.*	Geo. C. Davis.*
First Nat. Bank, Lapeer, MICH.	H. K. White, *Pres.*	E. J. White.
" " " " .	Chester G. White, *Cash...*	H. K. White.
First N. B., Ishpeming, " .	E. D. Nichols, *Cash.....*	......
N. Granite State B., Exeter, N.H.	W. F. Putnam, *Cash.*	N. A. Shute.
Farmers' N. B., Mt. Holly, N.J..	J. S. Goldsmith, *Cash.* ...	W. H. Pancoast.

N. Com. Bank, Albany,	N. Y.	E. A. Groesbeck, *Cash*....	James Martin.
First Nat. Bank, Albion,	"	Albert S. Warner, *Cash*...	A. Stewart.
Bank of Attica, Buffalo,	"	Geo. S. Hazard, *Pres.*	J. M. Ganson.
Farmers'& M.B., Rochester,	"	John F. Holmes, *Cash*....	Thomas Raines.
Citizens' N. B., Galion,	O.	.William G. Beatty, *Pres.*.	John Beatty.
Clinton Co.N.B., Wilm'gt'n	"	..Madison Betts, *Cash*......	J. H. McMillan.
Easton National Bank,	PA.	..William Hackett, *Pres*...	John Davis.
First Nat. B., Hanover,	"	..C. W. Forney, *Cash*......	Stephen Keifer.
First N. B., Waynesboro,	"	..Joseph Price, *Pres.*	W. S. Amberson.
N. Exch. Bank, Newport,	R. I.	.P. Caswell, Jr., *Pres*......	R. R. Hazard.
" "	"	.S. H. Norman, *Cash*......	D. W. Holloway.
Springfield Nat. Bank,	TENN..	.H. T. Stratton, *Cash.*	W. H. Brown.
Salt Lake City N. B.,	UTAH ...	J. M. Burkett, *Cash*......	Hugh White.
First N. B., La Crosse,	WIS....	A. McMillan, *Pres.*	W. R. Sill.

* Deceased.

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from June No., page* 996.]

NEW YORK CITY.

The Mutual Bank, 756 Broadway.	Hubbard, Craven & Co., 11 Wall.
Samuel Campbell & Co., 25 William.	Justh & Co.
E. Judson Hawley & Co.	E. D. Stanton, 22 William.*

ALABAMA.—T. K. Ferguson & Co., *Selma, (failed.)*

GEORGIA.—John King, *Columbus.*

ILLINOIS.—Ten Eyck, Brothers & Co, *Chicago, (failed.)*

IOWA.—Ingham & Smith, *Algona*, (succeeded by Kossuth County Bank.)

KANSAS.—Kansas Valley National Bank of *Topeka*, (changed to First National Bank of Topeka.)

MICHIGAN.—National Bank of *Lyons*, (succeeded by Second National Bank of Ionia.)

MISSOURI.—National Bank of *Springfield*, (changed to First National Bank of Springfield.)

MONTANA.—Fox, Lyster & Roe, *Helena*, now People's National Bank.

NEW YORK.—East Chester National Bank of *Mt. Vernon*, (sold out to German National Bank, *Evansville*, IND.); W. A. Woodbridge & Co., *Chatham Village, (failed)*; Cornwall & Walton, *Alexandria Bay*, (not in banking business); M. C. Murcur, *Towanda.*

OHIO.—J. F. Oliver, *Alliance;* J. V. Painter, *Cleveland;* Charles A. Smith, (Warren County Bank), *Lebanon, (failed.)*

PENNSYLVANIA.—S. R. McClean & Co., *Pittsburgh*, (*suspended*).

TEXAS.—Hughes, Couts & Co., *Weatherford*, (succeeded by J. R. Couts & Co.); T. C. Jordan & Co., *Dallas*, (merged into City Bank of Dallas.)

VERMONT.—R. T. Du Bois, *West Randolph*, (now Du Bois & Gay.)

* Deceased.

NOTES ON THE MONEY MARKET.

NEW YORK, JUNE 21, 1873.

Exchange on London, at sixty days' sight,* 109 @ 109¼ *for gold.

The month of June shows a return of the money market to comparative ease, with the usual dullness in stocks, which is common to the early summer. Our merchants complain of dullness or inactivity in trade; on the other hand we observe, in New York city at least, a bustle in every branch of trade. In fact there is too much business for a healthy condition of the money market. If the importations were less by ten per cent. there would be yet too large a business for the wants of the country, and too much to pay for. The importations of 1873, at this port, for five months, were 191 millions; and for eleven months 384 millions; a large portion of which has been paid for in specie and a larger portion in twenty-year bonds.

Foreign Imports at New York for the five months from January 1.

	1871.	1872.	1873.
Entered for consumption	$ 88,865,927	$ 98,985,328	$ 84,091,321
Entered for warehousing	64,242,927	88,374,363	61,036,656
Free goods	13,736,707	14,033,539	44,930,815
Specie and bullion	3,390,046	733,854	1,841,654
Total entered at port	$ 170,235,607	$ 202,127,084	$ 191,900,446
Withdrawn from warehouse	54,487,088	56,468,319	54,869,692

Compared with 1871–2 the foreign importations for eleven months are a trifle larger this year; but are 66 millions beyond those of 1870–71, as is shown in the annexed summary:

Foreign imports at New York for eleven months, ending May 31.

	1871.	1872.	1873.
Six months	$ 156,339,208	$ 183,028,276	$ 199,326,050
January	28,792,062	35,679,496	37,803,691
February	35,491,324	38,206,143	38,860,517
March	38,696,064	39,218,268	43,440,621
April	32,967,661	46,443,937	37,179,426
May	34,288,496	42,579,240	34,616,191
Total for 11 months	$ 326,574,815	$ 385,155,360	$ 391,226,496
Deduct specie	8,091,731	2,340,410	6,658,284
Total merchandise	$ 318,483,084	$ 382,814,950	$ 384,568,212

These figures represent gold; and on the other hand the exports of domestic produce represent paper money only. The general results are as follows for five months:

Exports from New York to foreign ports for five months from January 1.

	1871.	1872.	1873.
Domestic produce	$92,832,816	$81,394,156	$110,177,625
Foreign merchandise, free	461,388	581,823	1,149,604
Do. dutiable	3,372,605	4,390,944	3,717,326
Specie and bullion	32,949,884	24,576,697	21,163,288
Total exports	$129,616,693	$110.943,620	$136,207,843
Total excluding specie	96,666,809	86,366,923	115,044,555

A further comparison for eleven months of tho fiscal year shows an increase of exports compared with two years before.

Exports (exclusive of specie) from New York to foreign ports for eleven months of the fiscal year.

	1871.	1872.	1873.
Six months	$107,654,919	$119,604,290	$130,400,814
January	18,837,876	18,951,004	20,050,550
February	18,739,742	17,915,169	21,139,002
March	22,139,332	16,530,019	21,982,209
April	18,930,074	17,089,784	25,619,768
May	18,019,785	15,880,947	26,253,026
Eleven months	$204,321,728	$205,971,213	$245,445,369
Specie	74,300,759	46,887,621	56,007,431
Total, 11 months	$278,622,487	$252,858,834	$301,452,800

The latest quotations for loans in Wall street are as follows; there being exceptional transactions at lower figures:

	Per Cent.
Loans on call—Government collaterals	5 @
" " Miscellaneous collaterals, first-class	5 @ 6
Commercial first-class indorsed paper, sixty days	6 @
Commercial first-class indorsed paper, four months	6½ @ 7
Commercial first-class indorsed paper, six months	7 @
Commercial first-class, single names, sixty days	7 @
Commercial first-class, single names, four to six months	7½ @ 9
Bankers', first-class domestic, three to four months	6½ @ 7

Government bonds continue to be steady, though lower since the decline in gold. Purchases were made by the Treasury of $500,000 on June 4th, at 116.20 *a* 116.44 and interest; and on 18th of the same amount at 115.47 *a* 115.62. We annex the latest quotations for the several issues:

	Offered.	Asked.
U. S. Currency 6s	114¼	114½
U. S. 6s, 1881, Registered	116⅜	116⅝
U. S. 6s, 1881, Coupon	121¼	121¾
U. S. 5-20 Reg., May and Nov.	115¾	116¼
U. S. 5-20, '62, Coupon, "	116	116¼
U. S. 5-20, '64, Coupon, Nov.	116	116¼
U. S. 5-20, '65, Coupon, Nov.	117¼	117½
U. S. 5-20, '67, Reg., Jan. & July	115	115⅛
U. S. 5-20, '65, Coupon, July	119⅛	119¼
U. S. 5-20, '67, Coupon, July	120⅝	120¾
U. S. 5-20, '68, Coupon, July	120⅛	120⅜
U. S. 10-40, Registered	112¼	112¾
U. S. 10-40, Coupon	112¾	113
U. S. 5s of '81, Coupon	114⅛	114⅜

The returns of the New York City Banks show a much more favorable condition than for some time past. They hold of specie and legal tenders some twelve millions in excess of the required reserve of twenty-five per cent. We annex the returns for a series of years:

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$257,852,460 ..	$12,794,892 ..	$65,026,121 ..	$32,762,779 ..	$202,533,564 .	$466,987,787
Jan. 4, '68..	249,741,297 ..	12,724,614 ..	62,111,201 ..	34,134,391 ..	187,070,786 ..	483,266,304
Jan. 4, '69..	259,090,057 ..	20,736,122 ..	48,896,421 ..	34,379,609 ..	180,490,445 ..	585,304,799
Jan. 3, '70..	250,406,387 ..	31,166,908 ..	45,034,608 ..	34,150,887 ..	179,129,394 ..	399,355,375
July 4.....	276,496,503 ..	31,611,330 ..	56,815,254 ..	33,070,365 ..	219,083,428 ..	562,736,404
Jan. 2, '71..	263,417,418 ..	20,028,846 ..	45,245,358 ..	32,153,514 ..	188,238,995 ..	467,692,982
July 3.....	296,237,959 ..	16,526,451 ..	71,348,828 ..	30,494,457 ..	243,308,693 ..	561,366,458
Jan. 1, '72..	270,534,000 ..	25,049,500 ..	40,282,800 ..	28,542,800 ..	200,409,800 ..	561,802,964
July 1.....	289,002,800 ..	22,795,500 ..	54,951,400 ..	27,416,100 ..	232,387,900 ..	485,973,837
Jan. 6, '73..	277,720,900 ..	19,478,100 ..	41,165,400 ..	27,613,800 ..	203,808,100 ..	642,834,841
Feb. 3	286,879,600 ..	18,612,200 ..	45,802,100 ..	27,501,000 ..	217,168,500 ..	661,411,941
Mar. 3.....	281,344,900 ..	16,370,500 ..	40,724,000 ..	27,601,300 ..	202,066,100 ..	818,260,202
April 7.....	273,534,000 ..	15,664,400 ..	34,940,500 ..	27,715,800 ..	187,687,000 ..	780,498,463
May 5.....	270,721,100 ..	18,677,800 ..	40,051,700 ..	27,564,400 ..	196,471,900 ..	698,038,785
" 26.....	279,846,380 ..	20,632,600 ..	42,752,900 ..	27,493,800 ..	209,762,300 ..	578,673,925
June 2.....	277,958,800 ..	19,482,000 ..	44,332,300 ..	27,447,100 ..	208,136,500 ..	454,272,030
" 9.....	277,418,800 ..	25,984,800 ..	45,308,000 ..	27,434,100 ..	214,475,800 ..	560,623,857
" 16.....	277,714,400 ..	26,967,600 ..	46,397,000 ..	27,402,700 ..	218,171,100 ..	439,261,870

A comparison with the same period in former years is as follows:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
1872, June 15	..$288,764,300	..$20,299,700	..$55,424,500	..$27,519,300	..$228,995,300
1871, June 17	.. 293,134,532	.. 12,989,910	.. 72,178,964	.. 30,662,098	.. 243,276,150
1870, June 18	.. 276,689,004	.. 28,895,971	.. 58,120,211	.. 33,072,643	.. 219,932,852
1869, June 19	.. 265,341,996	.. 19,025,444	.. 49,612,488	.. 34,198,829	.. 186,144,110
1868, June 20	.. 274,117,608	.. 9,121,830	.. 72,567,582	.. 34,119,120	.. 211,484,387
1867, June 22	.. 248,640,477	.. 8,399,585	.. 62,816,192	.. 33,633,171	.. 179,477,170
1866, June 23	.. 248,436,808	. 8,504,096	.. 80,840,518	.. 26,585,394	.. 201,969,288
1865, June 24	.. 213,590,230	.. 15,906,314	.. 58,580,589	.. 5,789,070	.. 187,508,936
1864, June 25	.. 197,077,002	.. 22,000,898	.. ——	.. 4,807,195	.. 158,727,902
1863, June 27	.. 175,682,421	.. 38,271,702	.. ——	.. 6,004,177	.. 158,539,308
1862, June 28	.. 148,346,401	.. 30,832,626	.. ——	.. 8,910,344	.. 127,660,708

The Boston banks present a less favorable exhibit than do those of the two other leading cities, as their returns will show:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868....	$94,969,249	... $1,466,246	... $15,543,169	....$24,626,559	....$40,856,022
Jan. 4, 1869....	98,423,644	 2,203,401	 12,938,342	 25,151,340	 37,538,767
Jan. 3, 1870....	105,985,214	.... 3,765.347	 11,374,559	 25,280,893	 40,007,225
Jan. 2, 1871....	111,190,173	 2,484,536	 12,872,917	 24,662,209	 46,927,971
July 3	119,152,159	 1,441,500	 13,117,482	 24,816,012	 50,693,067
Jan. 1, 1872....	115,878,481	 4,469,483	 9,602,748	 25,715,976	 46,994,488
July 8........	112 164.800	 2,740,100	 9,471,800	 24,877,000	 48,875,500
The deposits (after this date) include the amount due to other banks.					
Jan. 6, 1873...	122,872,700	 2,075,400	 11,122,500	 25,614,400	 74,113,500
Feb. 3........	125,088,700	 2,253,300	 11,507,300	 25,485,800	 77,272,500
Mar. 3........	124,390,400	 1,015,100	 11,185,600	 25,457,500	 74,833,700
April 7.......	120,001,600	 922,600	 8,939,300	 25,519,400	 64,623,200
May 5	117,501,100	 1,401,100	 9,191,600	 25,625,700	 65,809,400
" 26.......	116,962,600	 1,686,400	 10,542,600	 25,454,300	 68,920,300
June 2.......	117,959,600	 1,269,200	 11,406,800	 25,445,100	 69,422,800
" 9.......	118,218,500	 1,011,500	.... 11,114.300	 25,384,800	 68,321,400
" 16........	119,224,900	 978,500	 10,929,900	 25,491,400	 68,985,200

The Philadelphia banks report enlarged deposits and extended discount lines. Their returns from 1868 to date are given below:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868	$5[illegible],002,304	$235,912	$16,782,432	$10,639,000	$36,621,274
" 4, 1869	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, "	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, "	57,062,437	352,775	10,599,532	11,370,253	42,120 451
Mar. 3 "	56,867,858	271,544	9,917,655	11,389,972	41,495,605
April 7, "	57,075,617	130,936	9,663,471	11,475,119	40,124.310
May 5, "	59,006,414	238,944	11,641,739	11,438,679	45,177,200
" 26, "	59,894,975	128,999	14,461,463	11,432,563	47,514,085
June 2, "	61,135,011	116.089	15,377,993	11,434,591	51,833 223
" 9, "	61,735,781	210,761	15,416,348	11,451,736	52,494,037
" 16, "	61,350,352	178,117	15,250,814	11,457,796	49,656,368

Foreign exchange is tolerably steady. For 60 days' sterling bills, leading bankers ask 109¼. We quote: Bills at 60 days on London, 108⅜ *a* 108⅞ for commercial; 109 *a* 109¼ for bankers'; do. at short sight, 110⅛ *a* 110¼; Paris at 60 days, 5.28¾ *a* 5.24⅜; do. at short sight, 5.20⅝ *a* 5.19⅜; Antwerp, 5.26¼ *a* 5.21¼; Swiss, 5.26¼ *a* 5.21¼; Hamburg, 4 Reichsmark, 95⅝ *a* 96¼; Amsterdam, 39⅞ *a* 40⅜; Frankfort, 40⅞ *a* 41⅜; Bremen, 4 Reichsmark, 95⅝ *a* 96¼; Prussian thalers, 71¾ *a* 72¼.

Compared with three previous months rates are as below:

Sixty days' Bills.	*March 23.*	*April 23.*	*May 22.*	*June 21.*
On London, bankers'	108 @ 108¼	108⅜ @ 108¾	108⅞ @ 109⅛	109 @ 109¼
" commercial	107½ @ 107⅞	107⅞ @ 108¼	108¼ @ 108¾	108⅜ @ 108⅞
Paris, francs, ₱ dollar	5.32½ @ 5.27½	5.32½ @ 5.27½	5.27½ @ 5.22½	5.28¾ @ 5.24⅜
Amsterdam, ₱ guilder	39¾ @ 40⅛	39½ @ 40⅛	39⅞ @ 40⅜	39⅞ @ 40⅜
Frankfort, ₱ florin	40½ @ 40⅞	40½ @ 40⅞	40⅞ @ 41⅜	40⅞ @ 41⅜
Hamburg, ₱ 4 R'mark	94⅜ @ 95	94¾ @ 95½	95½ @ 96¼	95⅝ @ 96¼
Prussian thalers	70⅝ @ 71¼	71 @ 71½	71½ @ 72¼	71¾ @ 72¼

For miscellaneous coin the price in gold is thus quoted:

American silver, large, 93½ *a* 96; American silver, small, 92 *a* 98; Mexican dollars, old stamp, 107 *a* 108; Mexican dollars, new stamp, 103¾ *a* 104¾; English silver, 480 *a* 485; Five francs, 92 *a* 95; Thalers, 70 *a* 72; English sovereigns, 485 *a* 489; Twenty francs, 383 *a* 387; Spanish doubloons, 15.75 *a* 16.15; Mexican doubloons, 15.45 *a* 15.70.

The premium on gold has suffered a marked decline, from 18¼ on 6th inst. to 15¼ on 20th. The cable reports a large gain of bullion (£998,000) by the Bank of England for the week ending 19th. This tends to lessen the chances of a drain from this side. Exports of specie from New York from January 1st to June 21st are $24,927,410; a large amount, but less than the aggregate shipments of the same period in 1872 and 1871. The comparison with previous years is as follows:

Year 1853.	$7,919,000	Year 1860.	$18,429,000	Year 1867.	$22,873,000
" 1854.	14,364,000	" 1861.	3.024,000	" 1868.	43,702,000
" 1855.	15,696,000	" 1862.	21,749,000	" 1869.	14,046,000
" 1856.	12,236,000	" 1863.	19,031,000	" 1870.	15,182,000
" 1857.	20,056,000	" 1864.	27,411,000	" 1871.	37,308,000
" 1858.	11,870,000	" 1865.	18,521.000	" 1872.	32,683,000
" 1859.	31,431,000	" 1866.	43,534,000	" 1873.	24,927,000

State bonds are dull, but generally steady, at the quotations below:

	Offered.	*Asked.*		*Offered.*	*Asked.*
Tennessee 6s, old	79	79¾	Alabama 5s	—	55
Tennessee 6s, new	78¾	79	Alabama 8s	—	83
Virginia 6s, old	—	50	Alabama 8s, 1893	—	85
Virginia 6s, Consol. Bonds	54½	54¾	Ark. 7s, L. R. & Ft. S. is	20	—
Virginia 6s, Def. Bonds	—	10¾	Arkansas 7s, M. & L. R.	18	—
Georgia 6s	—	80	Ark. 7s, L. R. P. B. & N. O.	18	40
Georgia 7s, new bonds	90	92½	Ark. 7s, M. O. & R. R.	18	40
Georgia 7s, indorsed	—	88	Ark. 7s, Ark. C. R.	20	23
North Carolina 6s, old	24½	[illegible]9	Texas 10s of 1876	77	—
North Carolina N.C.R.Co.cou.	56	59½	Ohio 6s, 1875	98	—
North Carolina N.C.R.ex cou.	38	42	Ohio 6s, 1881	101	—
North Carolina 6s, F. A., 1866	—	17	Ohio 6s, 1886	101	—
North Carolina 6s, F. A., 1868	—	17	Illinois coupon 6s, 1877	98	100

The rate of discount at the Bank of England was raised from 6 to 7 per cent. on 5th inst., but lowered to 6 again on 12th. In the open London market money has ruled lower than the bank rate.

The London *Economist* of June 7th quotes the rates at the different continental cities as below:

	Bank Rate. Per Cent.		Bank Rate. Per Cent.
Amsterdam	5	Hamburg	6
Bremen	6	Leipsic	6½
Berlin	6	Paris	5
Brussels	5	St. Petersburg	4½
Frankfort	6	Vienna	6

DEATHS.

In Pass Christian, on Monday, June 2d, E. H. Summers, President of the Cotton Exchange, of New Orleans, and President of the late Crescent City National Bank.

In Marshalltown, Iowa, on Monday, April 14th, aged sixty-two years, Greenleaf M. Woodbury, President of the First National Bank, of Marshalltown, from its organization.

Near Maysville, Ky., (on board the steamer Fleetwood,) on Friday, June 13th, aged fifty-three years, Joseph C. Butler, President of the Lafayette Banking Co., and of the Safe Deposit Co., of Cincinnati, Ohio.

In Sandy Hill, N. Y., on Friday, May 23d, aged fifty-three years, Doctor William H. Miller, Vice-President of the First National Bank of Sandy Hill.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

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THE LAW OF SPURIOUS BONDS.

One of the most extraordinary frauds ever committed in this country was that upon the United States Treasury in the year 1867. This fraud consisted in printing surreptitiously, by parties who are not yet discovered, eighty government bonds (or seven-thirty notes) of one thousand dollars each. These parties, after printing the fraudulent securities, succeeded in negotiating them through various bankers in the West, by whom the bonds were transmitted, in due course of business, to their correspondents in New York, for the credit or account of these Western bankers, and for redemption at the Treasury. The remittances were at various dates in September and October, 1867.

The parties in New York receiving them from their correspondents were Messrs. JAY COOKE & Co., VERMILYE & Co., MAXWELL & GRAVES, DREXEL, WINTHROP & Co., BAKER & KITCHEN, and others.

The parties transmitting them were Messrs. JAMES T. BRADY & Co., Pittsburgh; the RIDGELY NATIONAL BANK, Springfield, ILLINOIS; RODMAN, FISK & Co.

These fraudulent bonds were duly transmitted to the treasury for payment, by the New York bankers, and were paid by the department after the usual course of examination.

In October following, the bonds were discovered to be fraudulent, by a series of duplicate numbers. Proceedings were instituted in March, 1868, in the United States Circuit Court for the Southern

District of NEW YORK, against JAY COOKE & CO., by the UNITED STATES, for the recovery of the principal and interest paid by the Treasury on these bonds.

The plea set forth:

First.—For that, whereas, heretofore, to wit, on or about the twenty-first day of September, A. D. 1867, at the City of New York, in the said Southern District, the said defendants then and there doing business as brokers, and co-partners, under the firm name and style of JAY COOKE & CO., were indebted to the UNITED STATES OF AMERICA aforesaid for the sum of one thousand and nineteen and $\frac{60}{100}$ dollars, money had and received at the city aforesaid by them, to and for the use of the UNITED STATES OF AMERICA, and of their property, on the said twenty-first day of September, A. D. 1867. Such money was obtained by said defendants at the city aforesaid from the said plaintiffs, upon the occasion of the said firm having delivered to the said plaintiffs therefor, what purported to be a certain obligation of the UNITED STATES aforesaid, known as a seven-thirty note and coupon attached for the principal sum of one thousand and nineteen and $\frac{60}{100}$ dollars interest, to wit, a note bearing seven and $\frac{30}{100}$ per cent. interest per annum, and numbered 68,446 B, of the series of seven-thirty notes, issued June 15th, 1865, by the UNITED STATES aforesaid, together with an interest coupon attached as aforesaid to said note, calling for interest from June 15th, 1867; which note with coupon attached as aforesaid, was by the said defendants composing the firm aforesaid, at the time they delivered it to the officer of the Sub-Treasury of the UNITED STATES aforesaid, professed to be, and, by the plaintiffs aforesaid and their officer aforesaid, was, when received from them, supposed to be a genuine note, with a genuine coupon attached, of the UNITED STATES aforesaid; and by the representations and inducement of the said defendants then and there practised, the same was received by the UNITED STATES and their officer aforesaid as a valid, genuine note, with genuine coupon attached, at the Sub-Treasury of the UNITED STATES aforesaid at the City of New York, on the twenty-first day of September, A. D. 1867.

The said note and coupon were in fact counterfeit, and neither of them had ever been executed or issued by the UNITED STATES OF AMERICA, their officers or agents, but had been forged and falsely made and uttered, and were no obligation whatever of or upon the UNITED STATES aforesaid; and were by them, to wit, by their officer aforesaid, received as aforesaid under the belief created by the representations and inducement aforesaid, that the said note with coupon attached was good, and formed a valuable and adequate consideration for the money received by the defendants as aforesaid, which was retained from plaintiffs after discovery that the said note and coupon were counterfeit, whereof prompt notice was given to said defendants. And being so indebted, the said defendants in consideration thereof, afterwards, to wit, on the day and year last aforesaid, at said City of New York, undertook and then and there faithfully

promised the said UNITED STATES OF AMERICA, plaintiffs, to pay to said plaintiffs the said sum of money, to wit, one thousand and nineteen and $\frac{60}{100}$ dollars, when they the said defendants should be thereunto afterwards requested. Yet the said defendants, not regarding their said promise and undertaking, although often requested so to do, have not as yet paid said sum of money or any part thereof; but the said defendants to pay the same have hitherto wholly neglected and refused, and still do neglect and refuse, to the damage of said plaintiffs to the amount, to wit, of one thousand and nineteen and $\frac{60}{100}$ dollars, with interest from the date last aforesaid; and, therefore, they bring this suit, &c.

The case came on for trial in November and December, 1870, on a bill of exceptions on the part of the defendants, when the government claimed:

First.—That the Assistant Treasurer had no authority to use the money of the UNITED STATES in receiving or retiring any obligations which were not actually previously issued by the UNITED STATES.

Second.—That the defendants, or other persons, seeking to avail themselves of the benefit of the act of April 12th, 1866, authorizing the retirement of seven-thirty notes, and delivering to the Assistant Treasurer what purported to be such treasury notes, must impliedly be held in law as representing such notes to be genuine treasury notes actually issued by the UNITED STATES.

Third.—That the liability of the defendants to repay to the UNITED STATES the money taken from them by the Assistant Treasurer to pay for such notes, is not restricted or affected by any endorsement of such notes by the defendants.

Fourth.—That the plaintiffs have a right to recover back, in this suit, any money belonging to it, paid by it through the Assistant Treasurer of the United States to the defendants, as the consideration for supposed Treasury notes not issued in fact by the UNITED STATES.

Fifth.—That in view of the statute of April 12th, 1866, the averment in the declaration that the defendants professed and represented that the notes delivered to the Assistant Treasurer were genuine treasury notes, is supported by the mere fact that such notes, being notes not actually issued by the UNITED STATES, were in fact delivered to the Assistant Treasurer, and paid for by him with the money of the UNITED STATES without further proof.

On the part of the defendants, their counsel requested the court to instruct the jury as follows:

First.—That in order to entitle the plaintiffs to recover, they must show that the eighteen notes produced on the trial, and marked "C 1" to "18," were the identical notes which were delivered by the defendants to the Assistant Treasurer of the United States.

Second.—That in order to entitle the plaintiffs to recover, they must also show that the said eighteen notes, marked "C 1" to "18,"

were delivered to the Assistant Treasurer of the United States, between the 20th day of September and the 9th day of October, 1867.

Third.—That in order to entitle the plaintiffs to recover, they must further prove that the money paid to the defendants for said notes was the money of the UNITED STATES.

Fourth.—That the burthen of proving that the eighteen notes in question, "C 1" to "18," are not genuine obligations of the UNITED STATES, rests upon the plaintiffs; and if the evidence be insufficient to establish the fact that such notes are not genuine obligations, as aforesaid, the defendants are entitled to a verdict.

Fifth.—That in determining whether the eighteen notes in question are genuine obligations, the jury are entitled to take into consideration the fact that said notes were supposed to be genuine by the Assistant Treasurer in New York, and passed through his hands and the hands of other officials connected with the Treasury Department.

Sixth.—If the defendants honestly believed the notes in question to be genuine obligations issued by the UNITED STATES, and so believing, and in good faith, passed them to Mr. VAN DYCK, the Assistant Treasurer of the United States, and the latter, under the like belief and in good faith, received the notes and paid for them, the plaintiffs are not entitled to recover, although the notes may not have been genuine obligations issued by the UNITED STATES.

The court refused to instruct the jury as desired, and the jury, thereupon, found a verdict for the plaintiffs for the sum of $23,630 and 88 cents. The case is now under appeal, for argument.

Corporation Bonds.—The city of Boston has lately been borrowing a good deal of money in anticipation of the incoming taxes, and the city finds the market favorable for its negotiations. The question has been raised whether, under section 29 of the national bank act, a bank can loan more than 10 per cent. of its capital to any State or municipality; whether, for instance, a Boston bank can loan more than 10 per cent. of its capital to the city of Boston. We reply most decidedly in the negative. The section in question reads, "The total liabilities to any banking association of any corporation shall at no time exceed one-tenth part of the capital stock of such association actually paid in." The city of Boston is neither more nor less than a corporation. We are told by a well-posted banker that the present or some past Comptroller of the Currency says that the word "corporation" in this section does not mean to include city. But in these premises, as in others in which we have found ourselves, we take the ground that the Comptroller of the Currency has no power over the bank law. It must be taken as it stands. It is generally so clear that he who runs may read and understand. But where there is any doubt of its meaning the Supreme Court must decide for us.—*Commercial Bulletin.*

Stock Frauds.—J. A. COE. the broker under arrest on the charge of the heavy stock-raising frauds, appears before the United States District Court with his petitioner for a trial by jury in the matter of GEO. WARREN *et al.*, creditors, who allege that COE has transferred Copper Falls mining shares to NATHAN MATTHEWS with the intention of giving preference to Mr. MATTHEWS over other creditors, and should therefore be put into bankruptcy. Mr. COE appears to have made little progress in his attempts to procure bail, and the $ 400,000, under which he stands, is certainly a very difficult amount for a man in his situation to raise.

LEGAL MISCELLANY.

I. Notarial Notice of Protest. II. Interest. III. Discount. IV. County Bonds. V. Advances on Bills of Lading. VI. Bills and Notes. VII. Taxation of Savings Banks. VIII. Bills and Notes. IX. Bills and Notes. X. Transfers pending Bankruptcy. XI. Contracts on Sunday. XII. Bills and Notes. XIII. Contract. XIV. Bills of Lading as Collateral. XV. Bills of Lading.

I.—Due Diligence of Notaries Public.

Hamilton District Court, Ohio. Before Judges Force, Murdock, Avery, Burnet, and Cox.

Thomas J. & R. H. Cottle *v.* Joseph C. Thomas. Petition in error. The suit was brought below against the plaintiffs in error, as indorsers of a promissory note. The defense was that the indorsers were not properly notified. This is the only point in the case.

Judge Force announced the opinion of the court. As to Thomas Cottle, he held that his position on the note was that of guarantor, and that the judgment, as against him, was properly rendered.

The other party was strictly an indorser, and lived in this city. The holder of the note also lived in this city. The notice was addressed to the indorser through the post office. The question presented is, whether or not, when the holder and indorser both live in the city, it is using sufficient diligence to address the notice "Cincinnati" and put it in the post office.

Judge Force stated that there had been no decisions in reference to this question since the establishment of the present postal system for the delivery of letters throughout the city limits by the means of carriers. But the courts in various States have given out indications as to how they would decide it at the proper time. The mere address to "Mr. So-and-so, Cincinnati," he thought would be very often insufficient. A proper diligence, as required by the statute, should require that the street should also be designated in the address. There should be something which would be reasonably sufficient to guide and insure the delivery of the notice. Where that is not done, the testimony should show that the indorser was in the habit of receiving his letters by letter carriers; or, where neither of these appears, the testimony then should show that the notary was not able to ascertain the indorser's address. The proof here was that the notice was merely addressed "Cincinnati." Upon that ground, the judgment against R. H. Cottle must be reversed.

II.—Interest.

When an instrument provides for the payment of "annual interest," and is silent as to when the interest shall be paid, it is payable at the end of each year.—*Indiana Supreme Court Reports.*

III.—Interest in advance.

It is not usurious or illegal to take interest in advance at the highest rate of interest allowed by law.—*Indiana Supreme Court Reports.*

IV.—County Bonds.

Powers of County Commissioners.—Injunction.—The board of county commissioners may issue bonds of the county to raise money to build, complete or repair county buildings, and for that purpose have power to decide upon the necessity of such construction, completion, or repairs, and that the revenues afforded by reasonable taxation are insufficient therefor, and to fix the time within which the bonds shall be paid, and, in the absence of fraud, the exercise of such power cannot be questioned in a suit to enjoin the issuing of such bonds; but it is required by the statute that the interest on such bonds shall be made payable annually; and if it be ordered by the board that the interest be made payable at shorter periods, the issuing of the bonds may be enjoined at the suit of a citizen and tax payer of the county.—*Indiana Supreme Court Reports.*

V.—Advances on Bills of Lading.

A recent decision of the Commission of Appeals of the State of New York involves a point of commercial law of great interest, not only to the legal profession, but to banks, bankers, and business men generally. It was an action brought by the Marine Bank of Chicago to recover the value of a cargo of corn, shipped from Chicago to Buffalo, and thence to New York, consigned to defendants. At Chicago the consignor made his bill of exchange for $ 3,500 at sight, directed to the defendants at New York. The plaintiff discounted the draft for the consignee, upon his delivering as security a bill of lading for the corn. The defendants received the corn in New York, but refused to pay the draft, although notified of the transfer before receiving the corn. They claimed to hold the corn for a balance due them by the Chicago consignor, and that a previous draft for $ 1,220, paid by them for the same party, should be deducted from the amount of recovery, as money advanced to purchase the corn.

The decision was in favor of the plaintiff. It was held, that the transfer of the bill of lading, under the circumstances, transferred the title to the corn; that upon the refusal of the defendant to accept the draft the plaintiff's title remained unimpaired, and the defendant was liable for the money advanced upon the security of the bill of lading. It was also decided, that where the consignor is indebted to the consignee for advances, and has agreed to give him a prior security upon the property, the lien of the latter is good as against the former; but the consignee does not thereby obtain any right to the property as against a *bona fide* pledge, for value, of the bill of lading, made prior to the delivery of the property to the consignee.

VI.—Bills and Notes.

A deposited a fund in bank, and received a certificate of deposit payable to his own order. He subsequently died, and the certificate was found unindorsed among B's papers, B also having died intestate; but how it came there was unexplained. In a suit, brought by A's administrators against B's, to recover the certificate, held, that the plaintiff must recover.

—Vastine *v.* Wilding. *Missouri Supreme Court Reports.*

VII.—Surplus of Savings Banks.

United States *v.* The Dollar Savings Bank.—*U. S. Circuit Court, W. D. of Pennsylvania.*

1.—The undistributed surplus of earnings of savings banks, added during the year to their contingent funds, are subject to taxation under the ninth section of the act of Congress of July 13th, 1866.

2.—That such a fund is held as an authorized security for depositors does not affect its liability to taxation under the act; that question depends upon the fact that it is the accumulation of surplus earnings, and not upon the purpose for which these earnings are withheld from periodical distribution.

VIII.—Bills and Notes.

Where a party signed a promissory note, and alleged, not that he did not know he was signing such a note, but merely that, by the terms of an instrument attached to the note when it was executed, it was only to be paid on a contingency which did not occur, and that this instrument was wrongfully detached from the note after its

execution. Held, these facts did not constitute fraud in obtaining the execution of the note, but fraud perpetrated after its execution, and therefore not availing as a defense against an assignee before maturity. It is no defense to a promissory note, against an innocent assignee, that the note, when delivered, was left in blank as to the time of payment, and this blank was afterwards improperly filled by the payee.—ELLIOTT *v.* LEVINGS. *Before the Sup. Ct. of Illinois.*

IX.—BILLS AND NOTES.

GARRARD signed a printed note, in the blank of which was written "one hundred," leaving a blank space between that and "dollars" which was in print; this, after delivery, was filled with "fifty" in the same hand, and nothing in the appearance to raise a suspicion that it was not all right. Held, that GARRARD was liable for the face of the note to a *bona fide* holder for value. If the blank had been scored, or the alteration in any way perceptible, a purchaser would have taken it at his own risk. If one by his acts, or silence, or negligence, misleads another, or affects a transaction whereby an innocent party suffers, the blamable party must bear the loss. —GARRARD *v.* HADDAN. *Before the Sup. Ct. of Pennsylvania.*

X.—TRANSFERS PENDING PROCEEDINGS IN BANKRUPTCY.

United States District Court, N. D. Illinois. May Term, 1872.
In re JOHN J. LAKE, *a bankrupt.*

The transfer of promissory notes by the payee during the pendency of bankruptcy proceedings against him, upon which he was afterwards adjudged a bankrupt, and of an injunction restraining him from disposing of his property, vests no title in the purchaser, even though he had no actual notice of the bankruptcy proceedings.

2. WHO IS TO TAKE NOTICE OF PROCEEDINGS.—All the world is bound to take notice of proceedings in bankruptcy, and the purchaser takes with constructive notice.

3. ADJUDICATION RELATES BACK, ETC.—The adjudication of bankruptcy relates back to the time of filing the petition, and carries with it title to the assignee to all property, and to all interest in property which the bankrupt had at that time; and the assignee can recover such notes from the purchasers.

4. ASSIGNEE RULED TO DELIVER WITH PROPER ASSIGNMENT.—This case is not within the rule that negotiable bills of exchange, which have been stolen, cannot be recovered from a *bona fide* holder, and the court will, in such circumstances, rule him to deliver them to the assignee.

XI.—Contracts on Sunday.

Before the Kentucky Court of Appeals. Contract Made on Sunday—When and How Far Binding. Campbell v. *Young. Adair. Peters, Judge.*

Campbell loaned one Dillingham money on Sunday, paying part in cash, and the residue by a check on a Lebanon bank, which was cashed three days afterwards. At the same time the cash and check were delivered to him, Dillingham, with Young, executed a promissory note to Campbell for the amount loaned; the whole transaction being completed on Sunday. None of the parties were members of any religious society observing as a day of rest any other than Sunday.

Held: The general rule is, that all contracts made in contravention of an express statute are void, and that no action can be maintained either upon the contract or for anything done under it or growing out of it.

Contracts made on Sunday are, in some sense, an exception to the general rule. Such contracts are not tainted by any general illegality. They are illegal only as to the time in which they are entered into. When purged of this ingredient they are like other contracts. If closed on Sunday they are void, but if affirmed on a subsequent day they become valid. (6 Bingham, 653.) Where a contract made on Sunday is executory on both sides, it is simply void, until subsequently affirmed by mutual consent. Where either party has done anything under such contract, for which, of course, he would have no remedy under the contract, until it was subsequently affirmed, he may demand restitution, and where it is not compensation. Thus the other party will be put to his election whether to affirm or disaffirm the contract. His declining to make restitution or compensation is, in fact, an affirmation of the contract.

The contract here was not fully executed on Sunday. The check was collected afterwards, and the contract was thereby affirmed. Young, the surety, was active in securing the loan, and failed to disaffirm the contract. He must be regarded as affirming it.

XII.—Bills and Notes.

Alteration.—Burden of Proof.—In an action on a note negotiable by the law merchant, where the defendant alleges an alteration of the note after he had signed it, if there be no indication of such alteration appearing on the face of the note, the burden of this issue is upon the defendant.—Meikel *v.* State Savings Inst. 36 *Ind. Reports.*

XIII.—Contract.—Set-off.—Estoppel.

When a promissory note negotiable under the statute is executed, and subsequently the payee of the note makes a written agreement

that he will accept as payment upon the note any legal claims against him that the person who has executed the note may obtain; such agreement does not in any manner change the rights of the parties.—GOLDTHWAIT AND ANOTHER *v.* BRADFORD. 36 *Ind. Rep.*

After notice to the payor of an assignment of the note to a third party, he cannot, by subsequent purchase of claims against the original payee of the note, entitle himself to a set-off against the holder.
—36 *Indiana Reports.*

In a suit against the payee of a note to have the same declared paid, the complaint recited that the defendant "claimed that he had sold and assigned the said note and mortgage to" a third party, "whom plaintiff makes defendant hereto;" and said third party filed an answer, to which plaintiffs demurred, without moving to strike out the answer: Held, that plaintiffs were estopped from denying that the person so answering was a proper party defendant.
—36 *Indiana Reports.*

XIV.—BILLS OF LADING AS COLLATERAL SECURITY.

Opinion by Judge Krum, of St. Louis.

St. Louis, January 13, 1873.

R. E. HARDING, Esq., President of the MANUFACTURERS' SAVINGS BANK:

My opinion is asked on a case stated as follows: A shipped and consigned one thousand barrels of flour to B at New Orleans, to be sold on commission in the usual course of trade. A advised B of the consignment, and informed him that he had drawn his draft upon him for $2,500, on account of the flour, payable in ten days after sight. A sold his draft to your bank, and as collateral security for the acceptance and payment of his draft, assigned the bill of lading by his indorsement in blank thereon, and delivered the same with his draft to the bank. The draft was sent forward and was duly accepted by the drawee, the bill of lading was delivered to him at the time of his acceptance, and he received and sold the flour. Before the draft matured B failed, and his acceptance was not paid; the same was duly protested and notice thereof given to the drawer. The proceeds of the flour were lost in the hands of the consignee.

Two questions arise:

First. Is the drawer liable to the bank on his draft?

Second. Is the bank in any way liable to the drawer for the loss of the proceeds of the flour in question?

In answer to the first question, I state that, in my opinion the drawer of the draft is liable to the bank. The draft is a negotiable security, and payment having been refused by the acceptor, and due notice of non-payment having been given the drawer, he is charged and rendered liable for the amount of that draft and damages under the general law merchant.

In answer to the second question I state that, in my opinion, the

bank is in no way responsible to the drawer of the draft for the loss of the proceeds of the flour in question. From the nature of the transaction, it is plain that it was the intention of the drawer of the draft that his goods should pass into the hands of his consignee, on acceptance of the draft drawn against the consignment. Acceptance of the draft depended upon the receipt of the goods by the acceptor at the time of making his acceptance.

These results are implied from the transaction itself, and in this light both parties, the drawer of the draft and the bank, must have understood the transaction at the time it was made. No express agreement or direction on the part of the drawer, that the bank should deliver the goods to the consignee, was necessary. The suggestion that the bank was under obligation to hold the goods until the draft matured and was paid, to my mind seems absurd.

The very reason why the drawer anticipated that his draft would be accepted was, that the goods would pass into the hands of the drawee at the time of presentation of the draft for acceptance. Why consign the goods to B, if it was not intended he should receive them when he became bound by accepting A's draft? Was the bank to hold the goods until the draft should be paid! Undoubtedly A supposed that the consignment of the goods to B would induce him to accept A's draft, and out of the proceeds of the sale of the goods A supposed the draft would be paid. But to whom did A look for the fulfilment of his expectations—to B or to the bank? Certainly not to the latter.

If a different rule from what I have stated should obtain, it seems to me it would put an end to transactions of this kind. No bank or merchant would buy a time draft and take an assignment of a bill of lading of goods if the holder of the draft is to be held responsible for the goods, or their proceeds, after acceptance of the draft by the consignee.

XV.—Bills of Lading as Collaterals.

The Davenport National Bank *v.* Homeyer.

A consigned to B, his factor, certain flour, and drew on him for its value. The draft was discounted by a bank on the faith of a bill of lading for the flour, which was attached to the draft as collateral security, but not indorsed or formally assigned to the bank. B refused to accept the draft, A being already indebted to him for advances made on prior shipments. *Held*, that the bank had the property in the flour and could hold it against B.—*Missouri Reports*, *Vol.* 45.

NATIONAL BANK DECISIONS.

YEARS 1872–1873.

I. First National Bank v. *Garlinghouse. II. Shunk* v. *First National Bank of Galion. III. Shinkle* v. *First National Bank of Ripley. IV. Louden* v. *Fourth National Bank of Cincinnati. V. Bromley* v. *Commercial National Bank. VI. Fowler* v. *First National Bank of Pittsburgh. VII. Lee* v. *Citizens' National Bank of Piqua, Ohio. VIII. First National Bank of Charlotte* v. *National Exchange Bank of Baltimore.*

I.—NATIONAL BANK—USURY—STATE LAW—PRINCIPAL AND SURETY.

First National Bank of Columbus v. *Garlinghouse. Before the Supreme Court of Ohio.*

1. The discounting of a note in this State by a National bank at a usurious rate of interest does not avoid the note *in toto*, but only to the extent of the interest.

2. The statute of this State, of March 19, 1850, entitled "An act to restrain banks from taking usury," was intended to operate on banking institutions in this State whose authority to discount and purchase notes, &c., is subject to control by the legislation of this State, and has no application to banking institutions existing and exercising their powers under the authority of Congress.

3. The discounting of a note for the principal maker, at a usurious rate of interest, will not discharge the sureties, where there is no intention to practise a fraud on them, and in the absence of any express agreement or understanding that the note was to be used only at a given rate of discount. In such case the sureties must be held to have trusted the principal as to the terms on which the note might be discounted. (*See National Exchange Bank of Columbus* v. *Moore*, 2 A. L. T. B. R., 74; *Lamb* v. *First National Bank, &c.*, 5 A. L. T. R., 488.)

II.—NATIONAL BANK—INTEREST—STATE BANK—CONSTRUCTION OF ACT.

Shunk v. *First National Bank of Galion.*

1. Under the thirteenth section of the act of Congress of June 3, 1864, commonly called the National-Currency Act, National banks, located in a State where by the laws thereof a certain rate of interest

is limited for banks of issue, organized under State laws, are allowed to take, receive, reserve, and charge interest at the rate so limited, and no more, although a greater rate is allowed by the laws of such State to parties other than such State banks.

2. The provisions of the act of the General Assembly of this State, passed May 4, 1869, (66 O. L., 91,) viz., "that the parties to any bond, bill, promissory note, or other instrument of writing for the forbearance or payment of money at any future time, may stipulate therein for the payment of interest on the amount of such bond, bill, note, or other such instrument of writing, at any rate not exceeding eight per centum per annum, payable monthly," were not intended to embrace banks of issue organized under State laws, whose powers in relation to taking and charging interest on loans and discounts were conferred and limited by prior and special enactments.

3. The thirteenth section of the National Currency Act provides that "the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid, shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon."

Held, That, under this provision, such taking or charging a rate of interest greater than six per centum per annum in advance, by a National bank located in this State, forfeits all interest accruing on such note, bill, or other evidence of debt, after maturity and before judgment thereon, as well as interest accruing before the maturity thereof.

The judgment of the District Court affirming the judgment of the Common Pleas Court is reversed, and unless the defendant in error, within thirty days, remit from the judgment of the Court of Common Pleas all interest included therein, the judgment of said court will also be reversed.

WELCH, J., dissented from the second proposition of the syllabus.

III.—NATIONAL BANK—CONSTRUCTION OF ACT.

Shinkle v. *First National Bank of Ripley.*

The words "by discounting and negotiating promissory notes, drafts, bills of exchange," &c., contained in the eighth section of the National-Currency Act of 1864, are not to be read as limiting the mode of exercising the "incidental powers" necessary to carry on the business of banking, but as descriptive of the kind of "banking" which is authorized; and the true reading of the petition is, that the company may carry on banking "by discounting and negotiating promissory notes, drafts, bills of exchange," &c., and may exercise "all such incidental powers as shall be necessary" for that purpose.

Four persons being jointly indebted to one bank in two several sums, and to another bank in one sum, by mutual agreement between all parties, the notes which the banks respectively held for the debts were given up, and the debtors, each, executed his individual note

and mortgage for such part of the aggregate sum as it was agreed among the debtors he should secure and pay; and in pursuance of said agreement the new notes and mortgages were drawn and made payable to a third person, and by him indorsed to one of the two banks. In an action against one of the debtors, upon his note and mortgage, by the bank to which it had been so assigned, Held, That the transaction was a payment, and not a mere renewal of the old notes; that there was a sufficient consideration to support the new notes and mortgages; and that the bank had authority, by the provisions of the National-Currency Act, to make the arrangement, and take the new notes and mortgages in that form and manner.

In such action interest is recoverable upon the new note, although the old notes bore usurious interest, which was thus paid in full; and no offset or deduction can be allowed to the defendant on account of such usurious interest, in an action brought against him after the expiration of two years from the date of such payment, the period limited by the National-Currency Act, for recovering back double the amount of usurious interest paid.

IV.—Refusal to Pay Checks.

Louden v. *Fourth National Bank of Cincinnati. Before the Superior Court of Cincinnati*, 1873.

This action was brought to recover $ 10,000 damages for the refusal of the defendant to pay two checks of the plaintiff. Mr. Ramsey, in stating the case to the jury, said the transaction occurred on the 2d of December, 1871. The plaintiff was a merchant at that time, transacting business requiring the use of not a large amount of capital, but considerable credit, and enjoyed such credit in his business, which was profitable to him; that on the 2d of December, being a depositor in the Fourth National Bank, he took a draft there for $ 950, which was discounted by the bank, and the amount, less the discount, entered on his bank-book to his credit. In the ordinary course of his business he subsequently drew two checks and delivered them to merchants in this city; one in favor of George M. Hord & Co., and the other in favor of William M. Glenn & Sons, payment of both of which was refused by the bank, without just or lawful excuse, as he claimed, and subjecting him to injury and damage, in the loss of his credit. Counsel claimed if these facts were established, the plaintiff would be entitled to substantial damages at the hands of the jury.

Judge Collins stated the case for the defense.

The plaintiff, at the time of this transaction, had an account at the Fourth National Bank, but no money. On the 29th of November, 1871, he came to the bank with a draft on Cooley & Dwight, of Chicago, for $ 925, desiring that the bank should cash it, or put it to his credit, and let him check against it immediately, which was the

same thing. After some hesitation they did so, and he checked out the money shortly afterward. He came again on the 2d of December with another sight draft for $ 950, asking the bank to cash that, which they declined until they should first learn of the payment of the first draft. They had not then heard whether the first draft had been honored, but finally they agreed to take this second draft and put it to his credit, with an understanding, however, that the plaintiff was not to check against it until they should hear the first draft had been paid. Mr. LOUDEN did, notwithstanding, check against the proceeds of that draft the next day, or at least very shortly, and before they had heard of the payment of the first draft. The first news they had of that draft was that it was in the hands of a notary, and they refused payment of the checks under the agreement they had with the plaintiff. Immediately, however, on being advised of the payment of the draft, they paid the checks, which laid over only for a day or two after they were drawn. This suit was for damages for injury to the credit of the plaintiff, by reason of his checks not being promptly paid, and the defense was that he had no money in the bank he had a right to check on.

Mr. RAMSEY said the plaintiff denied any such agreement as that stated, and this raised the issue of fact. As a matter of law he claimed that such agreement could not be proven; that the promise of the bank was a promise in writing, and was as binding as a promissory note, and no verbal agreement could be engrafted upon it.

Court—How is it a promise in writing?

Mr. Ramsey—The evidence of indebtedness is in writing in the plaintiff's bank-book, and we claim that the relation between a bank and its depositor is not that of bailor and bailee, but that of debtor and creditor; and implies, unless there are other terms in the book, that the money should be paid in the usual course of business on draft.

Court—Does the entry amount to more than a receipt that so much money has been received?

Mr. Ramsey—Yes; it is a contract, and I apprehend an action could be maintained on it at any time within fifteen years. We claim it cannot be affected by parole testimony, though as a matter of fact you can show mistake or fraud in it, as in any other contract.

The court was of opinion that the true state of facts could be shown to the jury.

The case was then argued.

Judge O'CONNOR instructed the jury that if the statement made by the witnesses for the defense was true, that the second draft was not to be checked against until payment of the first was ascertained, they need not inquire further or trouble themselves about the question of damages, because the plaintiff was not entitled to any, having violated his own agreement; but if they found his version of the transaction was the correct one, and that this was an actual discount by the bank, he would be entitled to damages, provided they found he had suffered any. If they found, therefore, that the checks were improperly rejected, the next inquiry would be the amount of damages

the plaintiff suffered. They were not to presume because payment was refused, that, therefore, the plaintiff suffered injury. It may be he has; it may be he has not. If a check of the late NICHOLAS LONGWORTH had been refused at a bank, they would not presume his credit or standing would be injured thereby. It may be different in the case of a small trader, and may, in fact, be a serious matter that his check should be refused, and a knowledge of the fact spread through the community. It was a fact for the jury to determine whether the credit of this plaintiff was injured, how much notoriety was given to the refusal of the bank to pay the check, and how much of that notoriety was caused by the plaintiff himself, for he could not complain of information he had given to other parties. The question was not whether his feelings were injured, but whether this transaction injured his credit. If they found the refusal of the bank to honor the check obtained currency, they should then consider how soon the check was finally paid, and whether the credit of the party was permanently injured. In some cases damages may be proved specifically. Non-payment of a note may induce creditors to get out attachments and break a man up in business.

The relation between the plaintiff and defendant, the party who deposits money and the party who receives it, is simply that of debtor and creditor. If the plaintiff deposited this money, he had no security except the credit and standing of the bank, and the agreement of a bank is to pay to the order of the depositor at sight, on the instant the check is presented. In the first instance, the check of the depositor is the best evidence, and if there were no other proof, it would be *prima facie* evidence of the debt; but the entry in the bank book is of no higher dignity than an ordinary book account, or a pass book where goods are charged to the person who receives them, and the amount can be explained in the same manner as a book account or a receipt. The bank in this case, through two of its officers, says it is true the draft was discounted, but conditionally; the proviso being that the plaintiff should not check against it until the bank had heard of the payment of the first draft. That is the statement of Mr. COOK, and of the Teller, and if they found this was a true statement of the case no recovery could be had in the action.

It had been claimed by the plaintiff that this refusal to pay the check was very much in the nature of a slander. In slander or libel the law presumes that certain words necessarily produce injury, and if the plaintiff prove such words the law presumes damage; but in many cases the speaking of slanderous words do not prove damage, and he (Judge O'CONNOR) was of opinion that the refusal to pay the check, unless malice was proven, would not necessarily raise a presumption that injury was done to the credit of the party.

The burden of proof was on the plaintiff to satisfy the jury of the drawing of the checks, that he had in bank a sufficient amount to meet them, and that payment was refused; and inasmuch as he has produced the bank book in which it appears that he did have that amount on deposit, he has made out a *prima facie* case on that point.

The burden of proof is then on the bank to satisfy them that, notwithstanding this entry, there was a verbal condition attached to it.

Counsel for the plaintiff took exception to that portion of the charge which related to the measure of damages, and which allowed the bank book to be explained by verbal testimony.

A verdict for the defendant and case dismissed.

MATTHEWS & RAMSEY for plaintiff; COLLINS & HERRON for defendant.

V.—PART PAYMENT OF A CHECK.

THOMAS BROMLEY *v.* COMMERCIAL NATIONAL BANK OF PHILADELPHIA. *Before the Court of Common Pleas.*

Where the payee of a check on a bank offers to take a smaller sum, being the amount to the credit of the drawer, it is the duty of the bank to pay it to him, and indorse the amount paid on the check.

Opinion by PEIRCE, J. October 12th, 1872. The complainant is the holder of a check drawn to his order by "WILLIAM P. RAYFIELD, Agent," on the COMMERCIAL NATIONAL BANK OF PENNSYLVANIA, for the sum of $725, dated October 8, 1866.

In the month of January, 1867, the plaintiff indorsed the check and presented it at the bank for payment. The paying teller was about to pay it, when, on examination of the account of the drawer, he discovered that there was a balance of but $229.92 to his credit in the bank. The plaintiff then demanded the payment of this balance to him on account of the check, which was refused by the bank. The plaintiff then offered to deposit to the credit of the drawer a sufficient sum of money to make the check good if the bank would then pay the amount of said check. This was also refused by the bank. The plaintiff again made the said offer in 1869, and was again refused by the bank.

WILLIAM P. RAYFIELD, the drawer, died about the time of the presentation of the check, but whether before or after does not appear; and his account was never made sufficient to pay said check; and the sum of $229.92 has remained to his credit in the bank ever since. The balance in bank was afterwards claimed by DANIEL K. ALBRIGHT, as administrator of RAYFIELD, but the bank declined to pay him, because RAYFIELD's account was as agent.

The bank avers, in its answer, that it has always been ready, and willing, and desirous to pay the balance in its hands to the proper party entitled to receive the same, and is still ready to pay the same according to the order of the court.

A check on a banker is similar to an inland bill of exchange. It passes by delivery when payable to bearer; or, if made payable to

the order of a particular person and indorsed by him, it seems to have the same quality of negotiability. It differs, however, from a bill of exchange in several particulars. It has no days of grace, and requires no acceptance distinct from prompt payment.

Chancellor KENT (3 *Kent's Commentaries*, 7th edition,) says, it is an absolute appropriation of so much money in the hands of the banker to the holder of the check, and there it ought to remain until called for, and the drawer has no reason to complain of delay, unless upon the intermediate failure of the banker. It is the tacit, if not the express understanding between banks and their customers, that they shall have the right to draw for the whole or a part of the funds deposited with them. The cases treat a check on a banker as an equitable assignment or appropriation; and if the holder is a holder for value, as to whom the drawer cannot rightfully revoke the power which he holds coupled with an interest, why should not the banker, upon distinct claim and notice, be held bound by the equity.

—*Byles on Bills*, 15 note.

It follows, as a consequence, that if such a check is an appropriation of the whole sum for which it calls, if so much is in the hands of the banker, it is an appropriation of any smaller sum which may be in his hands, if there be not sufficient to pay the amount of the check. In such a case, if the holder of the check is willing to receive the smaller sum, as the bank is entitled to retain the check as evidence of payment and of the holder's right to receive the money, it should indorse the amount of its payment on the check, and issue to the holder a certificate of having received the check from him, and of having paid so much on account of it.*

In this case, the plaintiff offered to deposit to the credit of the drawer a sufficient sum of money to make the check good, if the bank would pay to him the amount of the check when so made good. This was all that the bank in reason could ask, and would have been a sufficient protection to it from any demand which the drawer could make for the money.

It seems that the death of the drawer of a check is a countermand of the banker's authority to pay it. But that if the banker do pay

* There is some doubt as to the law in this case. MORSE ON BANKING says, (page 257) "If the bank has not funds enough to the credit of the drawer to pay his check in full, it is not obliged to make payment in part. MURRAY *v.* JUDAH, 6 *Cowan*, 490.) Whether or not it would be justified in doing so, may be questioned. There is no authority on the point. Nor would banks often try to exercise such a right. If they can do so they are obviously bound to indorse the amount of the payment on the check, which would, of course, still remain in the payee's hands, and which would otherwise on its face appear still to be good for the full value named in it, to the possible deception and loss of the drawer or of innocent third parties. But the better rule, perhaps, would be, to save misunderstandings and complications, that if a bank cannot pay in full, it not only may not, but must not, pay at all. The drawer has not requested it to make a part payment. He has demanded that it do a certain act, to wit: pay a certain sum of money on his account. If it will not do this act according to the terms of the authority embodied in the request, it by no means follows that it is authorized to substitute for it a partial performance, or, in fact, a materially different act. Power to pay only a part of a sum is not necessarily implied in an order, expressed without alternative, to pay that specific sum.

the check before notice of the death, the payment is good (*Byles on Bills*, 17.) In this case there is no statement of the time of the death of the drawer of the check, and as there is a presumption that a person is living who has been heard of within seven years; to rebut the presumption that the drawer was living at the time of the presentation of the check for payment, it should have been shown affirmatively that his death occurred before that event.

This case stands then as if the drawer of the check were living at the time of the demand of payment of it, and there was then no countermand of the authority of the plaintiff to receive the money. And as the rights and duties of the parties were fixed at that time, it is not perceived how the subsequent death of the drawer of the check can affect the holder's right to receive the money. And as the presumption is that the holder of a check, as against the drawer, holds it for value, in the absence of proof of a want of consideration for it, even if payment of it were countermanded, the holder of it, by virtue of the appropriation of the sum named in it to his use, would be entitled to receive it from the bank.

Let a decree be entered in favor of the plaintiff for the sum of two hundred and twenty-nine dollars and ninety-two cents, the amount admitted by the bank to be in its possession, and interest from the 18th of February, 1867, with costs.

VI.—Mortgage for Future Advances.

Fowler et al. *v.* J. D. Scully, *in trust for* First National Bank *of Pittsburgh. Before the Supreme Court of Pennsylvania.*

The court below decided that a National bank could enforce by *scire facias* the payment of a mortgage for future advances; upon a writ of error the Supreme Court reversed this decision—*holding*

1. In deciding whether the mortgage for future advances, held by the National bank, is valid or not, Federal laws and Federal precedents must be followed, as the subject is one which arises out of the construction of the National Bank Act of Congress, of June 3d, 1864.

2. The evident intent of Congress in passing said act, was that National banks should be institutions of commerce, not dealers in real estate, stocks or produce, and that no other security than *personal* should be taken for money lent.

3. A National bank cannot lend money on the security of a mortgage, and its power to take and hold a mortgage is confined to the second case enumerated in the 28th section of said act, viz: "for debts *previously contracted.*"

4. The mortgage in question, which contained a recital that the bank "hath agreed to discount for said Fowler an amount in the

aggregate not exceeding $100,000, such negotiable paper as he shall offer for that purpose," was made to secure the *future* debts of FOWLER whenever they should be incurred by such discounting. Even if the recital be treated as a covenant to lend, still the loans and discounts were to be made in the *future*. Being to secure future advances, the mortgage is therefore void.

5. The distinction between a mortgage to cover future advances at the discretion of the mortgagee, and one to cover advances he is bound to make, recognized in TER HOVEN *v.* KERNS, 2 BARR., 99, and other cases, has no bearing on the present question.

6. The mortgage being in direct violation of a positive statute, and therefore void, its payment cannot be enforced. The plaintiff could not open its case without disclosing that it sought the enforcement of an illegal security; its action must therefore fail.

VII.—TRANSFER OF BANK SHARES.

LEE *v.* THE CITIZENS' NATIONAL BANK OF PIQUA. *Before the Superior Court of Cincinnati, General Term. Before Judges* YAPLE, O'CONNOR, and HAGANS.

The petition alleges that ROBERT B. MOORES was (May 2, 1867,) a director and cashier of the PIQUA BANK, which was organized under the law known as the National banking act, passed June 3, 1864. That he owned fifty shares of capital stock of $100 each, duly signed by DORSEY, President, and MOORES, Cashier, and contains on the back a blank form of indorsement and power of attorney. He afterward signed the blank form of indorsement, and delivered the certificate to a trading firm of which he was a member, for hypothecation to effect a loan of $3,000. That the certificate was delivered to A. G. BURT & CO., as security for the loan. Part of the loan was paid, but BURT & CO. brought suit for the balance, and in 1870 obtained a judgment for $1,567.44, and levied on this stock and sold it by the sheriff to ADOLPH WOOD & CO. WOOD & CO. presented the stock and bill of sale to the bank, and demanded a transfer, which was refused. They then sold it to the plaintiff, who also demanded a transfer, and was refused by the bank.

DORSEY, in his answer, claims that he is the sole owner of the stock; that on January 16, 1868, he received a transfer from MOORES of all his stock on the books of the company, to secure an indebtedness to the bank, amounting to $23,500. He (DORSEY) afterward gave his own obligation to the bank for MOORES' indebtedness, and received a transfer of the right of the bank to MOORES' stock; that, by the rules of the bank, no stock could be transferred without the consent of the Board of Directors if the stockholder owed the bank, and was only transferable by the stockholders in person or by attorney; that MOORES was liable to the bank for $8,500 when his stock was transferred to BURT & CO. DORSEY asks that the

stock be delivered to him to be canceled. The bank having accepted DORSEY as its creditor, the question in this case is between the plaintiff and DORSEY,

1. It was held that the act of Congress under which the bank was organized, providing for the issue of stock, the form of certificate, the grant of power to the bank to make by-laws, must be construed together, and while the bank's equity is superior to those of the more general creditors of the stockholders, a person who receives such certificate from the holder, so indorsed in blank, in the usual course of business, for value, and without actual notice of the owner's liability to his bank, or of its rules and by-laws, acquires a right and property in such stock paramount to the equities of the bank; and upon return of the certificate, may compel such bank to transfer such stock to him. Such stock is not negotiable paper, in the legal sense of the term, but the assignee's right is derived from the fact that the bank itself has put it in the power of the stockholder to raise money upon it, and must bear the loss as between it and an innocent purchaser or pledge.

2. In this case the stock has never been transferred; the acts of the cashier and bank attempting to do so are void, the certificate of stock not having been returned, as required by the rules of the bank, and that was notice to the bank of others' rights in the stock.

3. The owner of a certificate of stock, in this form, may assign it and appoint an attorney in blank, though it be an investment under seal.

4. Such stock cannot be levied upon and sold on execution, and such attempted levy and sale are void, without the levy and sale were assented to by the owner of the certificate.

5. The holder of such stock in pledge, as collateral security for its owner's debt, is an agent of the latter, which agency is coupled with an interest in the pledge; and, like a trustee, he must account to his *cestue que trust* for the surplus remaining after the satisfaction of his interest, which imposes upon him the duty of guarding the interests of all parties, as far as possible. He can only sell with the consent of the pledger, or after due notice to him; and if he do so, he will be liable for the sacrifice of others' interests.

6. Upon the facts in this case the bankers holding the pledge have, in equity, assigned their debts and pledge to the plaintiff, who stands in their stead.

7. He cannot, therefore, claim title to the entire stock, but only a lien upon it for $1,600 (the amount he paid for it) and interest on that sum from the date of its judgment.

8. The 57th section of the banking act, authorizing suits to be brought against such banks in State courts only, in the counties of their location, is a mere personal privilege, which they may waive, and if they enter their appearance to suits brought in other counties they give to the State courts jurisdiction over them.

The judgment of the court was for the plaintiff for $1,600, with interest, upon receipt of which he was to deliver to DORSEY the certificate.

VIII.—INVESTMENTS IN STOCKS.

THE FIRST NATIONAL BANK OF CHARLOTTE, N. C. *v.* THE NATIONAL EXCHANGE BANK OF BALTIMORE, MD. *Before the Superior Court of Baltimore City.*

The court admits the general proposition of law to be true, as contended for by the plaintiff, that a National bank is not authorized by the act of Congress to *purchase* stocks, either for speculation or investment, and if the facts of this case justified such an interpretation of the transaction between the plaintiff and the defendant, would have no hesitation in assenting to the propositions contained in the plaintiff's prayers. But upon a careful consideration of the evidence the court can come to no such opinion as matters of fact. Instead of a *purchase* of stocks, in the ordinary sense of the term, the court finds the transaction between the parties to have been a fair and *bona fide* compromise of a case in which the plaintiff—finding itself subject to a claim of $ 55,000, founded upon a transaction admitted in the argument to have been a legitimate banking transaction—thought it expedient to reduce an apprehended loss by a compromise, in which it acquired the stock in question. That a National bank has a right, under such circumstances, to save itself from loss through the medium of an arrangement by which it shall receive stock, to be again turned into money, to avert or diminish an apprehended loss, and not for investment or speculation, the court does not doubt, and believing from the evidence, this to have been such a transaction, it now enters a verdict for the defendant, and orders a judgment to be entered thereon according to the course of the court.

BILLS OF LADING.—A bill of lading forms the contract for the transportation of the goods between the consignor and the carrier, and if it is accepted by the consignor without objection to its terms, any conditions which it may contain, restrictive of the carrier's liability, if such as the law will allow to be made by an express contract, become binding upon him. He is not allowed to show that he did not read it. [56 MASS. (2 CUSH.), 80. 5 N. H., 1867. 98 MASS., 239.] The case of a stipulation in a bill of lading differs from a notice in a passage ticket, [65 MASS. (11 CUSH.), 97; 78 MASS. (12 GRAY), 388] or in a receipt given to a mere agent of the consignor, for goods received for transportation under a previous general contract made between the consignor and the carrier. [97 MASS., 124; 98 MASS., 249; 55 ME., 462; 1868, GRACE *v.* ADAMS, 100 MASS., 505. See *Abbott's United States Digest for* 1870, *page* 120.]

THE SAVINGS BANKS OF NEW YORK.

The annual report of the Superintendent of the Banking Department of this State, in relation to savings banks, under date of February, 1873, presents favorable features, and demonstrates great activity and thrift among the laboring classes of our city and State. With a population of 4,382,000 in 1870, and of about 4,530,000 at this date, in the State, the aggregate deposits on 1st January last were $285,286,621, with depositors 822,642 in number. The average deposit of each individual was $346; while the depositors formed more than eighteen per cent. of the total population. The growth of deposits and population since the year 1860, is represented in the following summary, showing the average for each person in the State to be about sixty-two dollars; and for each depositor, $346:

	Population.		*Savings.*		*Average.*
1860,	3,880,735	....	$58,178,160	....	$15
1870,	4,382,759	....	194,360,217	....	44
1873,	4,530,000	....	285,286,620	....	62

The city and country are represented in their aggregates as follows, showing the estimated population in 1873, the aggregate savings, and the average to each depositor:

	Population, 1873.		*Savings.*		*Depositors.*		*Average.*
City of New York	990,000	..	$169,503,272	..	470,417	..	$360
Brooklyn	440,000	..	42,986,091	..	125,794	..	341
Country	3,115,000	..	72,797,257	..	226,431	..	321
	4,545,000	..	$285,286,620	..	822,642	..	$346

We annex the report in full for the information of our thousands of readers throughout the UNITED STATES.

ANNUAL REPORT OF THE BANKING DEPARTMENT OF NEW YORK TO THE LEGISLATURE. Albany, *February* 4, 1873.

FINANCIAL SUMMARY.

RESOURCES.

	Jan. 1, 1872.	*Jan.* 1, 1873.
Bonds and mortgages	$96,761,973	$104,639,854
Stock investments	140,085,233	153,552,756
Amount loaned on public stocks	14,270,266	14,575,907
Am't loaned on stocks or bonds of private corporations	2,258,769	2,407,812
Amount loaned on personal securities	1,367,145	736,454
Amount reported as invested in real estate	5,790,987	6,469,430
Cash on deposit in banks and trust companies	13,392,194	12,532,497
Cash on hand not deposited in banks	4,915,866	3,796,396
All other assets	4,195,413	6,619,225
Total Resources	$283,037,846	$305,330,331

LIABILITIES.

Amount due depositors	$ 267,905,826	$ 285,286,621
Other liabilities	393,523	266,846
Excess of assets over liabilities	14,738,497	19,776,864
Total Liabilities	$ 283,037,846	$ 305,330,331

STATISTICAL.

Number of institutions reporting	147	150
Number of open accounts	776,700	822,642
Number of accounts opened during the last year	231,461	233,455
Number of accounts closed during the last year	161,284	177,456
Amount deposited, not including interest credited during the last year	$ 177,039,013	$ 168,872,000
Amount deposited, including interest credited during the last year	190,783,157	183,849,613
Amount withdrawn during the last year	152,956,496	164,481,900
Interest or profits received or earned during the last year	16,849,911	18,174,693
Interest credited to depositors during the last year	13,744,144	14,977,613
Average of each deposit or account	344.92	346.79

From this statement it appears that there was on deposit on the first of January last the large sum of $ 285,286,621, represented by 822,642 open accounts, which, supposing each of these to represent a separate individual depositor, shows an average deposit of $ 346.79 to each individual, and that nearly 20 per cent. of the people of the State have savings-bank deposits.

The total assets of these institutions amount to $ 305,330,331, of which bonds and mortgages constitute about 34 per cent., United States stocks sixteen per cent, New York State stocks four per cent., stocks of other States three per cent., bonds of cities in this State 20 per cent., bonds of counties in this State four per cent., bonds of towns in this State two per cent., bonds of villages in this State one-tenth of one per cent., and other stocks and bonds less than one per cent. The stock investments constitute about 50 per cent of the entire assets, and amount to $ 153,552,756, of which the par value is $ 153,459,711.

The large increase in the amount of average deposits, in recent years, is evidence that a considerable share of the total deposits is not the earnings of labor, but that capital also has been attracted, by the safety and profit afforded by these institutions, in considerable sums, and in much larger proportion than was the case in former years.

I am not prepared, at present, to urge the passage of a law to prevent the expansion of the system, as indicated by the admission of the larger depositors to its benefits; but it is easy to perceive that the diversion of capital in this direction may ultimately become such an abuse of the system as to call for legislative interference.

It has been suggested that the banks be restricted as to the amount of individual deposits which they may be authorized to receive, in order to confine them to the objects for which they were originally in-

tended. If a remedy in this direction could be provided, which could not be evaded by means of deposits by an individual depositor in the name of different persons, it would, doubtless, have a beneficial effect upon the system.

The following table shows the amount of deposits in the savings banks of this State, from January 1, 1858, when they were first committed to the supervision of the Superintendent, to January 1, 1873:

	Deposits.	Increase.	Decrease.
January 1, 1858	$ 41,422,672	———	———
January 1, 1859	48,193,847	$ 6,772,175	———
January 1, 1860	58,178,160	9,983,313	———
January 1, 1861	67,440,397	9,262,237	———
January 1, 1862	64,083,119	———	$ 3,357,278
January 1, 1863	76,538,183	12,455,064	———
January 1, 1864	93,786,384	17,248,201	———
January 1, 1865	111,737,763	17,951,379	———
January 1, 1866	115,472,566	3,734,803	———
January 1, 1867	131,769,074	16,296,508	———
January 1, 1868	151,127,562	19,358,488	———
January 1, 1869	169,808,678	18,681,116	———
January 1, 1870	194,360,217	24,551,539	———
January 1, 1871	230,749,408	36,389,191	———
January 1, 1872	267,905,826	37,156,418	———
January 1, 1873	285,286,621	17,380,795	———

These statements of the condition and enormous growth of the savings banks of our State, representing as they do so large an aggregate of the small earnings of labor, will serve to commend the system to the most careful attention of the legislature.

Multiplication of Savings Banks.

The impolicy of granting charters to savings banks in localities already sufficiently supplied with the facilities afforded by these institutions, to which the attention of the legislature has been repeatedly and fruitlessly called in the reports of this department, has again been illustrated by the failure of one of them during the past year, and by the facts disclosed by the examinations instituted under the act of the Legislature of 1871. Their unnecessary multiplication occasions sharp competition for business, and the result is that their primary object—the safety of their loans and investments—is frequently lost sight of in the necessity of attempting the realization of large profits from hazardous securities, and from a combination of functions wholly foreign to the objects and purposes of savings banks. These examinations have shown that some of them have been converted into ordinary banks of discount and deposit; that they buy and sell exchange; that they assume the functions of trust companies, although having no capital from which to make good sudden depletions, and necessitating the holding of a large fund unemployed to meet demands to which they are constantly subject. Institutions conducted upon principles so greatly at variance with the original purpose of affording a secure place of deposit for the earnings of frugality and industry, constantly invite disaster. It is

the duty of the legislature to prevent this by rigidly refusing to charter them except in cases where their necessity is clearly established, and by so restricting them in their charters as to make it impossible for them to depart from the legitimate objects of a savings bank.

The failure of the PEOPLE'S SAFE DEPOSIT AND SAVINGS INSTITUTION, of Syracuse, which occurred during the past year, may be cited as an illustration of some of the evils to which I have referred. At the date of its charter there were already two savings banks in the city of Syracuse, and one additional in the county of Onondaga —a number already sufficient to accommodate the wants of that community. It was claimed that, by the provisions of its charter, it was enabled to locate its place of business anywhere in the State, outside of the cities of New York and Brooklyn, and that it was authorized to establish branches with a similar latitude of location; and, in accordance with this claim, a branch was established, and continued business until the failure of the concern, in the city of Utica. Its charter combined the wholly foreign functions of a safe deposit company and a savings bank. It contained absolutely no restriction upon the manner of investing the funds of depositors, and authorized the directors to invest them "in the public securities or stocks of any State, or of the UNITED STATES, or in the stocks or bonds of any city, county or town, corporation or association, or otherwise, of any State or the UNITED STATES, in manner and form as the directors and officers of said corporation may think proper." In addition to this unlimited discretionary power of investment granted to the directors, this extraordinary charter, so contrary to the traditional policy of the State, contained no clause forbidding them to borrow its funds. It is not surprising, therefore, that their reports to this department should show the institution in possession of personal securities amounting to more than fifty per cent. of its total resources. Under these broad powers, large investments were made in Western securities of doubtful value, at least as to their negotiability in the event of a sudden demand upon the funds of the bank; and the result, which might have been anticipated from the commencement, when this demand came, was the failure of the institution at Syracuse and of its branch at Utica.

I do not refer to this disastrous result for the purpose of reflecting upon the managers, who may not have exceeded, or even abused, a single power conferred upon them; but it is for the purpose of calling the attention of this Legislature to the danger of needlessly multiplying savings banks, and to the reckless disregard of the interests of the people that has characterized previous Legislatures in granting charters so destitute of the safeguards which should be thrown around every legalized depository for the earnings of the poor.

LEGISLATION RECOMMENDED.

I again earnestly urge upon the Legislature the enactment of a general law to prevent the combination in one institution, of the

powers of a trust company and savings bank; to prevent a savings bank from transacting the business of an ordinary bank of discount and deposit, negotiating commercial paper, buying and selling exchange, and receiving the deposits of business men, subject to withdrawal by check, without requiring the presentation of the bank book; to impose additional limitations as to the form in which the "available fund," embracing one-third of the total deposits, in nearly all recent charters, shall be held or loaned; to prohibit contracts to pay an exorbitant rate of interest upon deposits, or any rate in excess of the earnings, and to define their powers, restrict their loans and investments, and regulate their management generally. And I also recommend that the provisions of the general law requiring that, before any savings bank can commence business, the names and residences of its officers shall be transmitted to the superintendent, be incorporated in every charter hereafter granted, in order to bring it to the notice of the incorporators and prevent these institutions from being put in operation before any notice of the fact is given to this department.

The reasons upon which these recommendations are based were fully stated in my previous reports, and I do not deem it necessary to repeat them here. It is sufficient to say that they are the result of the observation and experience of this department since its organization; that they are intended to strengthen the resources of savings banks and guard their administration against abuse, and thus to protect the earnings of depositors from peculations and from the errors of the injudicious, as far as it is possible by legal enactments to do so. An additional, and perhaps the greatest security of all to the future of this wise and beneficent system, is the character of the men to whose administration it is entrusted; and the scrutiny of the legislature cannot, therefore, be too closely directed to the incorporators named in savings-bank charters presented for its consideration. If the legislature neglect to exercise the proper precaution in this respect, the most carefully drawn charter may fail to guarantee the security of depositors; for, in many cases where disaster has attended savings banks, it has not been attributable to the laws governing them, faulty as they are, but to their violation by the managers.

In no case should a charter be granted except upon the petition of the proposed incorporators, and their declaration of an intention to accept the trust, in order to prevent a practice heretofore resorted to in several cases, of inserting names of reputable citizens as corporators, without their knowledge, with a view of promoting the purposes of those having personal ends to serve in obtaining a charter. If the act of 1869, "to regulate and restrict the organization of savings banks," were enforced by the Legislature, the evil complained of would be prevented; but the provisions of this law have been so frequently ignored that the law has become practically a dead letter.

The deposits in these institutions, consisting largely of the earnings

of the poor, of men generally unacquainted with the intricacies of business, and obliged to depend upon the discretion and integrity of savings-banks trustees, now reach the enormous sum of $ 285,286,621; and it cannot be asking too much of the legislature to see that only men of ability and irreproachable character are permitted to have a share in the administration of this vast and sacred trust. Recent events in the history of these institutions, not only affecting the character of those particularly involved, but threatening the stability and usefulness of the system itself, are directly traceable to the laxity of previous legislatures in granting their charters.

FORM OF CHARTER.

I submit herewith a form of charter, which is substantially the form submitted with my last annual report. It is believed that if its provisions should be incorporated in every charter hereafter granted, depositors in these institutions would have additional guarantees for the safety of their deposits, especially in the restrictions which it imposes upon investments, and the manner in which the "available fund" shall be held or loaned. In many charters granted within late years, the trustees have unlimited control in determining how this fund, amounting to one-third of the deposits, may be invested or kept.

The ostensible purpose of the laws providing for this fund, is that it shall be kept in a form available to meet extraordinary demands on short notice; but experience has shown that, in the absence of legal restraint, the "call loans," in which form the fund has been usually kept, have proved to be the least available of the assets to meet the emergency for which it was intended. Indeed, it has proved a source of insecurity instead of strength, and has invited the very disasters it was intended to obviate, by its use in fostering speculations and promoting the personal schemes of trustees. The form of charter, herewith submitted, limits the available fund to twenty per cent. of the deposits, and prohibits loans from it except upon the securities named therein.

Perhaps, in view of the difficulty of securing desirable investments, which is made the subject of complaint by some of the officers of these institutions, it may be considered advisable to extend the limitations which it imposes in regard to loans and investments, by including in the securities named therein the stocks or bonds of other States which have for a certain period regularly paid the interest on their indebtedness, and whose securities have been maintained at not less than par in the city of New York for a certain other period previous to such loan or investment. For the same reason the limitation upon investments secured by bond and mortgage might be somewhat extended.

I would recommend that the limitation of the surplus to ten per cent. of the deposits, in the form of charter referred to, which the trustees are allowed to accumulate, be extended, and that savings

banks be authorized to increase this fund beyond that limit. I would further suggest, as a wholesome provision, that they be required to reserve a certain proportion of their earnings annually, toward the accumulation of such surplus fund, until it shall have reached a limit not exceeding ten per cent. of their deposits. I am decidedly inclined to the opinion that it would be the part of prudence to encourage these banks to increase rather than diminish their surplus fund, for the reason that in periods of financial embarrassment, when they are most likely to be called upon to meet extraordinary demands, securities deemed the safest upon which to rely in such emergencies have frequently depreciated in value more than ten per cent. An institution having a surplus to provide against contingencies like these, that have happened and are liable to happen again, will prove a more reliable custodian of the moneys of depositors than one which, having little or no surplus, might be obliged to convert its depreciated securities into cash, and thus sacrifice the interests of depositors to the extent of the loss sustained by the conversion.

EXAMINATIONS.

The examinations of savings banks, provided for by chapter 693, Laws of 1871, have been continued during the past year. These examinations have necessarily been attended with considerable expense to the banks examined; but to avoid any unreasonable burden beyond what was incident to a thorough investigation of the affairs of each bank, I addressed a circular letter to its president at the time of issuing the commission, in form as follows:

BANK DEPARTMENT, Albany, ———, 187 . .

SIR: Pursuant to the authority conferred and the duty imposed upon the Superintendent of the Banking Department, by chapter 693 of the Laws of 1871, I have this day appointed ——— to examine into the condition, working and affairs generally, of your institution.

The act above cited provides that the expenses of any examination, made in pursuance thereof, shall be paid by the institution examined, in such sum as the superintendent shall certify to be just and reasonable; and desiring hereafter, as heretofore, to impose upon savings banks the least burden in the form of expense, compatible with an intelligent, thorough and efficient discharge of the duties of this office, I would recommend, as a means of aiding me in reaching a just conclusion concerning the proper amount to be allowed for the services rendered, that the president or other officers in charge of your bank advise me by mail, at the conclusion of the examination, as to the amount which, in your judgment, you regard as a fair and reasonable compensation for the services rendered.

Respectfully yours,

D. C. HOWELL, *Superintendent.*

To the President of the ———.

This request was generally complied with, and in my judgment there has been no instance in which more than a fair and reasonable compensation has been paid for the services rendered.

With a few exceptions, these examinations have been continued by the persons originally appointed to perform that service, namely: Messrs. EMERSON W. KEYES, WILLIAM F. ALDRICH, and GEORGE W. REID. The results of these examinations, a summary of which is herewith transmitted, have fully confirmed the high opinion of their ability, integrity and discretion which I expressed in my last annual report. Their labors have been performed with a thoroughness and impartiality which have demonstrated their peculiar fitness for the important trust committed to them. Evidence of this will be found in the report of the manner in which these examinations have been conducted, preceding the statement of results to which reference is made.

The beneficial effects of the law requiring these examinations to be made continue to be apparent at every stage of their progress. The managers have corrected irregularities in the mode of transacting business, where these have been disclosed to them by the examiners. They have substituted approved securities for investments of a speculative character, or unauthorized by law.

The examiners have found that loans were occasionally made upon United States registered bonds as collateral security, not duly assiged or transferred to the bank, and consequently not negotiable by it, and upon transfers of corporate stock similarly unavailable for want of execution or other imperfection in the title; and that bonds and mortgages were taken, both as collateral and as investments, the assignments of which were informal. Various other imperfections were discovered, rendering the security useless to the bank until remedied. The examiners have uniformly required that these irregularities should be corrected before the security affected could be reported as an asset. The managers generally were not aware of these irregularities and imperfections of title, until pointed out to them by the examiners; and it affords me pleasure to testify to the readiness with which trustees and officers have responded to every suggestion of the superintendent relative to the affairs of the institutions examined. They have exhibited a spirit of self-sacrifice worthy of commendation, in their desire to promote the interests of the sacred trust committed to their care.

I may remark in conclusion, in reference to these examinations, that while the recent failure of a few mismanaged institutions had a tendency to create an unfounded distrust of the system, the scrutiny of the examiners provides a test of the accuracy of the reports submitted to the superintendent, and consequently a basis of confidence in the solvency and judicious management of such as pass successfully through this ordeal. The beneficent effects of the law requiring these examinations will also be felt in the prevention of abuses which have heretofore grown up in consequence of the immunity of the banks from a regular and thorough investigation of their affairs.

NEWLY INCORPORATED SAVINGS BANKS.

The following named institutions were incorporated by the Legislature of 1872:

COLLEGE POINT SAVINGS BANK.
PORT RICHMOND SAVINGS BANK.
RIVERHEAD SAVINGS BANK.
WALDEN SAVINGS BANK.
WHITESTONE SAVINGS BANK.

The time for the commencement of business by the TONTINE MUTUAL SAVINGS BANK, of the city of New York, incorporated in 1869 and revived in 1871, was, by act of the legislature of 1872, extended to September 1, 1872.

Of the banks chartered at the last session of the legislature, the following have organized and reported to this department:

RIVERHEAD SAVINGS BANK.
WALDEN SAVINGS BANK.
WHITESTONE SAVINGS BANK.

And of those incorporated prior to the year 1871, the HOME SAVINGS BANK, of Albany, chartered as the SIXTH WARD SAVINGS BANK, and the MECHANICS' SAVINGS BANK, of Brooklyn, have, since the previous report, organized and reported to this department, and the FARMERS AND MECHANICS' SAVINGS BANK, of Schenectady, has organized, but has not commenced business.

Since the close of the year the CENTRAL CITY SAVINGS INSTITUTION, of Utica, has failed, and passed into the hands of a receiver.

In concluding my report, it is no more than just and proper that I should call attention to the cordiality and efficiency with which I have been aided and supported in the discharge of my duties by the Deputy Superintendent, DANIEL SHAW, Esq. Much of the office work has been transacted by him, or under his immediate supervision, and always with accuracy and dispatch. I have often availed myself of his counsel and judgment upon questions of importance presented for my decision, and never have had occasion to regret it. In every respect he has more than justified the high expectations which I had formed from the testimonials of his character, ability and integrity, which influenced me originally in selecting him, and in this public manner I desire to make to him my acknowledgments.

Respectfully submitted,

D. C. HOWELL, *Superintendent.*

SAVINGS BANKS, NEW YORK STATE.

Deposits of the Savings Banks of the Interior Cities and Towns of the State of New York, January, 1872, with the Date of Charter and Number of Depositors, January, 1873.

Year.	*Place.*	*Name of Bank.*	*January*, 1872. *Deposits.*	*January*, 1873. *Deposits.*	*January*, 1873. *Depositors.*
1820	Albany	Albany Savings Bank .	$2,714,355	3,196,650	8,152
1856	"	Exchange Savings Bank	179,794	193,007	583
1850	"	City Savings Institution	658,564	961,763	2,053
1855	"	Mechanics & Farmers'.	1,397,945	1,417,017	2,910
1868	"	National Savings Bank	1,747,680	2,101,915	4,876
1866	"	Hope Savings Bank ...	55,979	51,597	251
1866	"	Home Savings Bank...	——	214,202	833
1867	Albion......	Orleans Savings Bank .	2,320	876	17
1849	Auburn.....	Auburn Savings Bank .	1,609,628	1,673,569	6,113
1864	"	Mutual Savings Bank..	553,132	511,359	2,282
1867	Binghamton.	Binghamton Savings B.	412,860	431,430	2,390
1858	" .	Chenango Valley S. B.	305,651	326,416	1,410
1871	Brewsters ..	Putnam County Sav. B.	9,498	44,557	187
1854	Buffalo	Erie County Savings B.	7,378,084	8,124,382	25,406
1846	"	Buffalo Savings Bank..	4,856,658	5,622,384	20,504
1851	"	Western Savings Bank.	887,861	1,147,574	2,228
1867	"	National Savings Bank	705,888	834,459	2,682
1858	"	Mechanics' Savings Bk.	*Failed.*	——	——
1868	"	Security Savings Bank.	*Closed.*	——	——
1868	Catskill	Catskill Savings Bank.	174,595	217,070	792
1851	Cohoes	Cohoes Savings Inst. ..	389,315	446,304	1,594
1860	Corning	Corning Savings Bank.	222	233	7
1871	Cornwall ...	Cornwall Savings Bank	9,859	19,029	126
1866	Cortland....	Cortland Savings Bank	74,657	90,294	865
1838	Coxsackie ..	Coxsackie Savings B'k.	90,860	88,746	403
1869	Dobb's Ferry	Greenburg Savings B'k	56,782	72,466	396
1867	Edgewater..	Staten Island Sav. B'k.	165,501	183,006	868
1869	Elmira	Southern Tier Sav. B'k	86,722	94,569	1,228
1869	Ellenville...	Ellenville Savings B'k.	176,869	183,166	987
1857	Fishkill	Fishkill Savings Inst'n	467,458	536,349	1,397
1866	"	Mechanics' Savings B'k	272,765	291,391	1,056
1859	Flushing ...	Queens County Sav. Bk	322,750	351,519	1.771
1871	Fulton	Fulton Savings Bank..	27,939	60,125	389
1866	Fredonia ...	Chautauqua Co. Sav. B.	44,090	21,278	239
1871	Goshen.....	Goshen Savings Bank.	37,218	72,402	459
1871	Haverstraw.	Haverstraw Savings B.	27,683	89,464	686
1850	Hudson	Hudson City Sav. Bank	1,010,042	1,114,385	3,852
1868	Ithaca	Ithaca Savings Bank..	181,871	202,430	1,755
1866	Jamaica	Jamaica Savings Bank.	212,308	241,461	774
1851	Kingston ...	Ulster County Sav. Inst.	1,937,400	2,152,679	4,207
1869	Lockport ...	Farmers & Mechanics'.	336,390	249,896	1,525
1871	Matteawan .	Matteawan Savings B'k	15,040	21,909	150
1869	Middletown.	Middletown Ssvings B.	304,901	378,167	1,919
1868	Morrisania..	German Savings Bank.	503,777	606,507	2,825
1868	" ..	Morrisania Savings B'k	152,443	170,756	995
1871	Mt. Vernon .	East Chester Savings B.	26,435	25,545	206
1852	Newburgh ..	Newburgh Savings B'k	1,944,218	2,101,470	6,300
1871	New Paltz ..	New Paltz Savings B'k.	143,315	88,708	358
1865	NewRochelle	New Rochelle Sav, B'k.	59,860	64,030	384
1860	Norwich	Chenango County S. B.	53,654	76,720	308

Savings Banks, New York State—*Continued.*

Year.	Place.	Name of Bank.	January, 1872. Deposits.	January, 1873. Deposits.	January, 1873. Depositors.
1870	Nyack	Rockland Savings Bank	20,566	44,893	489
1866	Oneida	Oneida Savings Bank..	255,741	305,902	1,331
1859	Oswego	Oswego City Savings B.	486,922	525,572	2,431
1871	"	Oswego County Sav. B.	136,017	162,032	879
1870	Pawling	Pawling Savings Bank	38,252	52,059	270
1859	Peekskill ...	Peekskill Savings Bank	744,274	877,809	2,731
1869	Plattsburgh.	Clinton County Sav. B.	50,747	68,956	474
1865	Portchester .	Portchester Savings B'k	380,369	429,021	1,729
1869	Port Jervis .	Port Jervis Savings B'k	91,782	141,095	769
1831	Po'keepsie ..	Poughkeepsie Sav. B'k	2,638,651	2,951,490	9,751
1860	Rhinebeck..	Rhinebeck Savings B'k	124,641	134,800	665
1872	Riverhead ..	Riverhead Savings B'k	——	36,163	260
1831	Rochester...	Rochester Savings B'k	5,027,579	5,614,721	12,798
1850	" ...	Monroe County Sav. B.	3,010,536	3,112,286	7,457
1867	" ...	Mechanics' Savings B..	1,522,494	1,355,688	3,134
1869	" ...	East Side Savings B'k.	314,702	408,847	1,121
1851	Rome	Rome Savings Bank...	802,715	881,002	2,160
1869	"	Oneida County Sav. B.	181,813	259,610	829
1868	Rondout...	Rondout Savings Bank	541,086	642,222	1,726
1860	Sag Harbor .	Sag Harbor Savings B.	211,483	223,800	1,294
1867	Saratoga Sps.	Saratoga Savings Bank	36,148	38,487	220
1871	Saugerties ..	Saugerties Savings B'k	123,774	253,805	843
1834	Schenectady.	Schenectady Savings B.	497,800	541,973	1,451
1870	Seneca Falls.	Seneca Falls Savings B.	57,155	85,695	633
1854	Sing Sing...	Sing Sing Savings B'k.	480,284	573,453	1,588
1866	Skaneateles .	Skaneateles Savings B.	113,090	117,753	783
1858	Southold....	Southold Savings Bank	679,368	765,738	1,913
1855	Syracuse ...	Onondaga County S. B.	3,896,218	3,878,385	12,206
1849	" ...	Syracuse Savings Bank	1,555,937	1,770,752	5,019
1868	" ...	People's Safe Deposit..	1,755,411	*Failed.*	——
1871	" ...	Citizens' Savings Bank	11,135	49,820	167
1853	Tarrytown ..	Westchester Co. S. B. .	588,198	601,254	2,009
1823	Troy	Troy Savings Bank....	3,104,276	3,418,384	8,103
1857	"	Mutual Savings Bank.	243,413	268,116	725
1856	"	State Savings Bank...	113,483	117,564	250
1857	"	Manufacturers' Sav. B.	2,956	3,072	18
1857	"	Central Savings Bank..	17,633	14,125	66
1839	Utica.......	Savings Bank of Utica	3,400,088	3,409,097	9,830
1865	"	National Savings Bank	——	*Failed.*	——
1851	"	Central Savings Bank..	180,948	——	——
——	Walden	Walden Savings Bank.	——	17,627	99
1869	Wap'r Falls.	Wappinger's Savings B.	29,360	68,729	396
1859	Watertown .	Jefferson County S. B.	166,110	195,694	1,855
——	Whitestone .	Whitestone Savings B..	——	12,023	204
1869	White Plains	White Plains Sav. B'k.	44,770	48,446	248
1854	Yonkers	Yonkers Savings Bank.	778,293	943,638	2,858
1866	"	People's Savings Bank.	200,960	210,428	951
	Total	Interior...............	67,340,644	72,797,257	226,431
	"	New York City........	161,106,592	169,503,273	470,417
	"	Brooklyn	39,458,630	42,986,091	125,794
	"	State of New York...	$ 267,905,866	$ 285,286,621	822,642

THE SAVINGS BANKS OF NEW YORK, JANUARY 1, 1873.

Comparative View of the Savings Banks of the City.

The following tables exhibit the number of savings banks in this city and Brooklyn, and other cities throughout the State; the number of depositors and the amount on deposit, with a comparison with the previous year; also the date of charter:

		Deposits, January, 1872.	January, 1873. No. Depositors.	January, 1873. Deposits.
1834	Bowery Savings Bank	$25,106,821	58,552	$27,897,796
1819	Bank for Savings	18,367,370	72,161	19,869,808
1859	Union Dime Savings Bank	10,109,465	32,827	10,257,683
1829	Seamen's Savings Bank	9,966,832	26,683	11,167,100
1850	Emigrant Industrial Savings Bank	9,936,139	25,888	11,370,131
1848	Dry Dock Savings Bank	9,163,119	22,960	9,366,578
1850	Manhattan Savings Bank	8,402,068	17,484	8,663,662
1833	Greenwich Savings Bank	8,367,740	27,600	9,613,142
1860	Citizens' Savings Bank	8,005,214	15,678	8,059,359
1859	German Savings Bank	7,019,868	20,815	9,314,548
1852	Metropolitan Savings Bank	6,788,495	10,994	6,880,699
1848	East River Savings Bank	6,238,468	11,263	6,378,383
1854	Third Avenue Savings Bank	5,081,325	8,694	1,435,831
1852	Mechanics & Traders' Savings Bank	3,404,331	5,476	2,930,540
1848	Merchants & Clerks' Savings Bank	3,376,825	8,692	3,461,126
1851	Irving Savings Institution	2,959,951	6,434	3,072,151
1860	Atlantic Savings Bank	2,680,761	5,370	2,203,312
1854	New York Savings Bank	2,479,720	8,172	2,712,531
1851	Broadway Savings Institution	2,003,878	3,839	2,043,706
1853	Sixpenny Savings Bank	1,908,493	28,817	2,042,679
1860	Franklin Savings Bank	1,246,319	7,176	1,616,454
1868	Teutonia Savings Bank	1,159,636	5,672	1,575,990
1866	German Up-Town Savings Bank	1,053,786	4,703	1,323,179
1869	Excelsior Savings Bank	930,033	1,624	580,817
1866	North River Savings Bank	835,760	4,406	807,565
1868	Mutual Benefit Savings Bank	708,981	2,886	576,809
1863	Harlem Savings Bank	723,038	4,447	838,773
1869	Security Savings Bank	679,896	3,299	718,040
1867	People's Savings Bank	353,961	1,500	294,069
1869	Eleventh Ward Savings Bank	609,017	2,321	818,084
1869	New Amsterdam Savings Bank	442,056	1,662	468,550
1869	West Side Savings Bank	267,004	2,493	300,659
1868	Clinton Savings Bank	177,598	1,674	159,064
1869	Oriental Savings Bank	202,531	5,032	284,048
1869	Abingdon Square Savings Bank	145,313	940	158,362
1867	Central Park Savings Bank	119,839	976	139,565
1869	Yorkville Savings Bank	31,298	266	27,279
1869	Equitable Savings Institution	26,417	620	50,804
1867	National Savings Institution	14,279	70	2,025
1870	Trades Savings Bank	12,272	104	9,973
1870	Clairmont Savings Bank	675	147	12,399
1863	Market Savings Bank	*Failed.*	—	—
1868	Bowling Green Savings Bank	*Failed.*	—	—
1868	Guardian Savings Institution	*Failed.*	—	—
	Totals, New York City	$161,106,592	470,417	$169,503,273
	" *Brooklyn*	39,458,630	125,794	42,986,091
	" *Interior*	67,340,644	226,431	72,797,257
	Totals	$267,905,866	822,642	$285,286,621
	Surplus Funds	14,738,497	—	20,043,710
	Total Assets	$282,644,363	—	$305,330,331

Savings Banks of Brooklyn City and Kings County, N. Y.

The date of charter of each, deposits of January, 1872 and 1873, and number of depositors in each.

Charter.	Name of Bank.	January, 1872. Deposits.	January, 1873. Deposits.	January, 1873. Depositors.
1827	Brooklyn Savings Bank	$ 10,375,872	$ 11,331,809	25,396
1851	Williamsburg Savings Bank	9,190,826	10,099,560	21,538
1859	Dime Savings Bank, Brooklyn	6,695,503	6,819,763	27,907
1850	South Brooklyn Savings Institution	5,442,530	6,017,740	15,431
1860	Kings County Savings Institution	2,030,819	2,331,623	7,042
1865	Long Island Savings Bank	1,496,709	1,636,159	4,907
1864	Dime Savings Bank, Williamsburg	1,456,809	1,407,335	6,845
1866	German Savings Bank	1,055,018	1,206,310	5,057
1860	East Brooklyn Savings Bank	549,679	658,998	4,222
1867	Germania Savings Bank	449,102	536,431	1,810
1868	Green Point Savings Bank	306,880	421,374	2,654
1868	Park Savings Bank	124,771	160,971	1,083
1863	Emigrant Savings Bank	174,080	179,631	676
1868	East New York Savings Bank	107,352	142,684	752
1867	Hamilton Savings Bank	1,680	1,719	77
1868	Bushwick Savings Bank	1,000	1,000	1
——	Mechanics' Savings Bank	——	32,984	396
Total,	Kings County	$ 39,458,630	$ 42,986,091	125,794
"	New York City	161,106,592	169,503,273	470,417
"	Interior of State	67,340,644	72,797,257	226,431
"	State of New York	$ 267,905,866	$ 285,286,621	822,642

NATIONAL BANKS OF BALTIMORE.

Capital, surplus, circulation, deposits and loans of each, June 13, 1873:

Names.	Capital.	Surplus.	Circulation.	Individual Deposits.	Loans.
National Mechanics' B.	800,000	30,000	360,000	1,866,556	$ 1,573,004
Citizens' National Bank	1,000,000	300,000	401,700	1,669,117	2,328,036
Farmers & Planters' B.	800,000	240,000	585,000	1,248,573	1,571,873
National Bank of Balt.	1,210,700	300,000	881,755	1,338,535	2,114,336
First National Bank	1,110,000	172,764	302,600	1,214,739	2,127,996
Farmers & Merchants'	650,000	130,000	450,000	1,088,384	1,755,863
Second National Bank	500,000	250,000	340,745	731,471	1,122,830
National Union Bank	1,258,725	71,000	440,000	719,941	1,538,718
National Exchange B'k	600,000	64,000	477,400	501,341	860,985
Central National Bank	200,000	50,000	180,000	700,167	431,077
Commercial & Farmers	512,560	124,867	259,648	501,836	871,693
Third National Bank	600,000	——	478,120	398,579	652,948
Merchants' Bank	1,500,000	356,202	1,108,500	1,291,379	2,201,671
Western Bank	500,000	170,000	434,188	1,080,499	1,279,176
June 13, 1873	$ 11,241,985	2,258,834	6,699,656	14,351,128	20,430,211
February 28, 1873	11,241,985	2,175,352	7,219,998	14,000,992	20,907,530
		$ 53,482	$ 520,342	$ 350,135	$ 477,418

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. ARE LEGAL-TENDER NOTES EXEMPT FROM TAXATION? II. NOTARIAL DEMAND AFTER BUSINESS HOURS. III. DRAFTS PAYABLE WITH CURRENT RATE OF EXCHANGE. IV. STATE TAXATION OF NATIONAL BANKS.

I. ARE LEGAL-TENDER NOTES EXEMPT FROM TAXATION?

——— BANK, ILLS., 1873.

To the Editor of the Banker's Magazine.

We understand that the Supreme Court of the United States have decided that Legal-Tender Notes are not legally taxable. Do you understand that there is such a decision.

——— President.

——— ARKANSAS, 1873.

To the Editor of the Banker's Magazine.

Are *United States Notes* (Greenbacks) *exempt from taxation* by State, County and City Governments? There is a diversity of opinion here and many of our best men do not include Greenbacks on hand when listing their personal property for taxation. Legal men cite as authority a decision by the Supreme Court in the case of the STATE OF MARYLAND *v.* MCCULLOCH, an officer of the old U. S. BANK.

——— Banker.

Reply.

We have never heard of any decision of the United States Supreme Court exempting Legal-Tender Notes from taxation. The case alluded to by our Arkansas correspondent was upon the right of a State to tax United States Bank Stock. It has been twice published in the BANKER'S MAGAZINE.

Among the decisions of State Courts cited in ABBOTT'S DIGEST of Decisions in the United States, is the following:

The United States Treasury Notes, known as "Greenbacks," are declared by act of Congress exempt from State taxation, and the enactment is constitutional. But the exemption is not extended, and it is doubtful whether Congress has power to extend it to the notes of National Banks.

—*Montgomery County* v. *Elston*, 32 *Ind.*, 27.

The following letter from the Hon. JOHN JAY KNOX, Comptroller of the Currency, sets forth the views entertained at the Treasury Department on this subject:

Treasury Department,
Office of Comptroller of the Currency,
Washington, July 7th, 1873.

I. SMITH HOMANS, Esq., New York City.

SIR:—I have received your letter of 2d instant, asking if a decision has been made by the Supreme Court of the United States to the effect that legal-tender notes are not taxable.

I am informed by the Commissioner of Internal Revenue that he has no knowledge of any such decision. The Commissioner has uniformly held that legal tenders are not exempt, nor are they "securities of the United States," within the meaning of that term as employed in the statute.

Very respectfully,
JOHN JAY KNOX, *Comptroller.*

II. NOTARIAL DEMAND AFTER BANKING HOURS.

In the BANKER'S MAGAZINE for December, 1872, and for May, 1873, were given replies to this inquiry: "Must a note or check be presented before the close of banking hours in order to a valid protest." A valued correspondent takes exception to our reply and argues as follows:

BOSTON, ——, 1873.

My position is, if a note is made payable at a bank, such note must be presented for payment during the business hours of the bank, in order to a legal protest; but should a demand be made of an officer of the bank who might be there after the business hours of the bank, but possessing the required information, this perhaps might meet the requirement of a proper presentment.

The Teller is generally the officer proper to make the demand of, as he is the one to whom the maker would give his instructions to pay the note.

Now if this officer, at the close of bank hours, has locked up his vault and gone, and the notary makes his demand at the bank, finding the messenger or some other officer inside, who has no knowledge of any authority given the bank to pay, I hold that the protest is a nullity.

For if a demand can be made after bank hours, which shall have all the legality of one made while the proper officer is present, the notary may keep his notes, made payable at banks, upon his desk until he is satisfied the bank is closed, and then make his demand, for fear there might be funds there and he would then lose his fee.

Judge Story says: "The general usage of banks and bankers is to limit their business transactions to certain hours, called business hours. If then a note is payable at a bank or banker's, it should be presented at the bank or banker's place of business during those hours. If the presentment is made at unreasonable hours, either too early or too late, and there is no person authorized to act for the maker, in such case the presentment will be deemed a mere nullity and without any legal effect, and the holder must bear all the consequences of his lack of diligence."

I argue from this decision that the notary making this illegal demand would not only forfeit his fee, but if the credit of the maker was injured by notice of such protest, an action would hold against the notary or his employer.

—— Cashier.

Reply.

It is certainly better, as placing the matter beyond any possibility of question, to have demand made at bank before its fixed hour of closing. But that such is inflexibly essential does not appear to be the case, from the decision quoted by our correspondent.

The summing up on this point by REDFIELD & BIGELOW, in their *Leading Cases on Bills of Exchange and Promissory Notes*, (pp. 311, 312,) is as follows:

"What is *a reasonable hour* will depend partly on the place of business or domicile of the maker, and partly on the usage of trade where the paper is payable; and *in the case of paper payable at bank*, while it must in general be presented during banking hours, still it may be presented after such hours, provided a person be stationed there by the bank to return answers, or if there is a custom of the bank which allows a certain length of time after closing for transacting such business. BANK OF UTICA *v.* SMITH, 18 JOHNSON, 230; CHITTY *Bills*, 387; STORY *Promissory Notes*, § 226."

To meet further inquiries upon the subjeet of Notarial Demand, we append the following decisions:

THE LAW OF NOTARIAL PRESENTMENT.

Reasonable Hours.

Chitty on Bills, page 388, says, "When the party to pay the bill or note is not a banker, a presentment at any time, not during the hours of rest, however late in the evening, will generally suffice." And in a recent case (TRIGGS *v.* NEWMAN, 10 MOORE, 249,) it was decided that a presentment between 8 and 9 o'clock in the evening, at the house of a trader or merchant, is quite sufficient, and this although no person was there to give an answer. (See WILKINS *v.* JADES, 2 B. & A., 188; S. P. BARCLAY *v.* BARCLAY, 2 CAMPBELL, 527.)

In action against drawer of a bill accepted by HARDY, (bill presented at 8 o'clock in the evening,) on the part of defendant, it was proved that he had a person stationed at the house for the purpose of taking up the bill, from nine in the morning till *four in the afternoon*, but that no one presented it during that time, and it was insisted that a presentation *so late in the evening* was insufficient to charge the drawer. Lord ELLENBOROUGH said, "I think the presentment sufficient; a common trader is different from bankers, and has not any peculiar hours for paying or receiving money; if the presentment had been during the hours of rest, it would have been altogether unavailing; but *eight in the evening* cannot be considered an unreasonable hour for demanding payment at the house of a private merchant who has accepted a bill." The plaintiff had a verdict.

In MORGAN *v.* DAVISON, (1 *Stark Reports*, 114,) the bill was accepted, payable at HERRING & RICHARDSONS, Copthall Court, London. The plaintiff proved presentment at HERRING & RICHARDSONS, who were not bankers, in Copthall Court, on the day when the bill became due, *between six and seven in the evening*, when no one was there but a girl, left to take care of the counting house. Lord ELLENBOROUGH held the presentment sufficient; the hour was not an improper one, and the holder might reasonably expect to find him in his counting house at that time.

In WELKINS *v.* JARDIS, 2 B. & A., 188. *Held*, presentment of a bill of exchange for payment at a house in London, where it was made payable (not a banker's) at *eight o'clock in the evening* on the day when it became due, is sufficient to charge the drawer, although at that hour the house be shut up and no person there to pay the bill.

COWEN, in CAYUGA CO. BANK *v.* HUNT, says, "These hours, except in case of banks, vary *through the whole day* until bedtime in the evening." Mr. PARSONS, in his work on Bills, vol. 1, p. 419, seems to draw a distinction between the presentation at the *residence* and *place of business*, but the cases cited by him in support of his views, given in his notes, are the above cases from CHITTY. See also the opinion of Judge SHEPLEY. (*Parsons on Bills, p.* 420, *note.*) In DANA *v.* SAWYER, 22 MAINE, 244, cited in *Parsons on Bills, vol.* 1, *p.* 420, it was held also that the really ordinary business hours only applied where there were regularly established business hours.

In MERCHANTS' BANK *v.* ELDERKEN, 25 *N. Y. Court of Appeals*, 178, it was held that the demand at a bank was sufficient when made *before* the closing of business hours. See also 44 *Barbour's Reports*, 69. The maker has the whole day to pay his note, but *after demand and refusal* at the place of payment, he must then seek the holder for that purpose. *See* ETHEREDGE *v.* LUDD, 44 BARBOUR, 73.

In DANA *v.* SAWYER, 22 MAINE, 244, it was held that where a note is not payable at a place where there are *established business hours*, demand must be made at a reasonable hour; but presentment to the maker at midnight, after he had retired to rest, was *not a reasonable hour*, unless it appear that payment would not have been made if presented at a reasonable hour.

Where paper is payable at a bank, it must generally be presented during banking hours, but may be presented later, IF ANY PERSON BE STATIONED THERE TO ANSWER, or it is a custom of the banks to allow a certain length of time for transacting such business. See BANK OF UTICA *v.* SMITH, 18 JOHNSON, 230; *Chitty on Bills*, 387; *Story on Promissory Notes*, § 226; *Story on Bills*, § 349.

There is a misunderstanding amongst merchants as to when payment *should* be demanded; some claim a note should be presented at the place of payment, even if a private office, before three o'clock; others claim the whole day to pay it; some claim till three o'clock to make their accounts good at their bank, and that a demand before

three o'clock is premature, others that a presentment before three o'clock is ineffectual.

The above cases seem to hold, 1, That notes payable at a bank may be presented either between or during the ordinary banking hours; or if presented later, some one must be there to answer, to make the demand effective. If presented before the close of the bank, and payment is refused, no other demand is necessary—it then becomes the maker's duty to seek the holder and pay it.

2. That notes payable elsewhere may be presented at any reasonable hour during the day, and such hours range through the whole day till bed time, nine in the evening. FARNSWORTH v. ALLEN, 4 GRAY, 453.

In order to avoid a protest, therefore, persons having notes to pay should, if payable at a bank, make their account good immediately on the opening of the bank. If payable at their office, procure a certified check and leave it with some one there, who will remain there till the note is presented.

III.—DRAFTS PAYABLE WITH CURRENT RATE OF EXCHANGE.

Louisville, July, 1873.

To the Editor of the Banker's Magazine.

The bank with which I deal here, gives me New York exchange free of charge. I wish to use such exchange to pay my acceptances and notes due here, and drawn "with New York exchange," "in New York exchange," or "with current rate of exchange on New York." Can the holders refuse the check on New York, and demand legal tenders and exchange?

MERCHANT.

Reply.

You have no right to require a bank holding for collection your paper, payable "with current rate of exchange," to receive in payment therefor the check of another bank on New York. Payment is due in current funds, and the premium added. If your acceptances are payable "in New York exchange," then the bank holding would probably take in payment the draft of a bank in unquestionable credit. But we think that no just dealing man would insist even upon this; for it is a gross injustice to compel the bank, which has all the trouble of collecting and remitting, to do it for nothing. The small profit on exchange is all its compensation, and it is little enough.

IV. The Taxation of National Banks.

——— National Bank, Ills., 1873.

To the Editor of the Banker's Magazine.

There has been some dispute in this State as to the right to tax National banks for State and county purposes.

There are several cases before the courts, but I am not aware of any definite decision.

If there have been any decisions on this point, please state some of them.

——— Cashier.

Reply.

By the Act of June 3, 1864, (section 41), Congress has distinctly shown that State taxation of National banks was not excluded by the Act of February 25, 1863, under which they are organized. For the information of our correspondent and various others, we republish the several cases that have been decided before the State courts and the United States Supreme Court.

I. Abbott v. *City of Bangor. II. Bagnall* v. *the State of Wisconsin. III. Board of Commissioners of Indiana* v. *Elston. IV. City of Chicago* v. *Lunt, Preston & Kean. V. Lionberger* v. *State. VI. National Bank* v. *Commonwealth of Kentucky. VII. Provident Institution for Savings* v. *City of Boston. VIII. Stetson* v. *City of Bangor. IX. State Mutual Life Insurance Co.* v. *Jersey City. X. Strador and others* v. *State of Indiana. XI. Thompson* v. *Pacific Railroad Co. XII. Van Slyke* v. *State of Wisconsin.*

I.—Chas. J. Abbott *v.* Inhabitants of Bangor.

The payment of an illegal tax, assessed upon bank shares, for the purpose of preventing the seizure and sale of them by the collector, is not a voluntary payment.

To bring the assessment of a tax upon bank shares within c. 193 of the Public Laws of 1863, it must be made to appear that the stock was "held by persons out of the State, or unknown, and that," it had "not been certified to or assessed in some place in this State"; or that the stock appeared "by the books of the bank, to be held by some one residing beyond the limits of this State, or unknown."

The Act of Congress, approved February 10th, 1868, "in relation to taxing shares in National banks," had no retroactive effect upon any proceedings previously had under c. 126 of the Public Laws of 1867.

Nor does it affect the decision in PACKARD *v.* LEWISTON, 55 MAINE, 456, as to the validity, or invalidity, of the several sections of that chapter.

The right of tax payers to recover back a tax, paid under protest, must be determined by the law, as it was when the tax was assessed and paid. The repeal of the statute authorizing the assessment, after such payment and the commencement of the suit to recover it back, confers no additional rights upon the tax-payer.

PACKARD *v.* LEWISTON, 55 MAINE, 456, re-examined and confirmed. —*Maine Reports, vol.* 56, *page* 310.

II.—BAGNALL *v.* THE STATE.

1. Shares in National banks, located in this State, are subject to taxation by the State, although shares in the State banks are not taxed, *eo nomine.* The decision in VAN SLYKE *v.* THE STATE (23 WIS. 655), adhered to.

2. Chapter 136, Laws of 1868, which provides "for the reassessment and collection of delinquent taxes of 1865 and 1866, on the shares of National banks in this State," is valid.

3. The tax levied by law upon the capital of the State banks is a full equivalent to that levied upon the shares of the National banks under said chapter; and adequate provision is made by it to prevent the rate of taxation upon those shares being greater, than upon other moneyed capital in this State.

4. An averment that the rate of taxation upon plaintiff's shares in a National bank, in this State, was greater than that assessed for "State tax" upon other moneyed capital, in the hands of individual citizens of the city in which plaintiff resided, *held,* insufficient to show the tax illegal; it not appearing that such rate was greater than that imposed upon such other moneyed capital for State, county, and municipal purposes.—*Wisconsin Reports, vol.* 25, *page* 112.

III.—BOARD OF COMMISSIONERS OF MONTGOMERY COUNTY, IND., *v.* ELSTON.

1. The United States treasury notes, popularly known as "greenbacks," are not liable to State taxation.

2. The foundation of the power of the government to exempt her treasury notes from taxation is, that their sole value depends upon the promise of the government to ultimately redeem them in gold.

3. The notes of National banks, known as "National currency," are not exempted from State taxation.

4. Injunctions will not lie to prevent the collection of a tax, in part legal, and in part illegal.—*Indiana Reports, vol.* 32, *page* 27.

IV.—City of Chicago *v.* Lunt, Preston & Kean.

Taxation of Government Securities held by private bankers.

Several persons associated together as partners, and doing business as private bankers, may invest their capital in bonds and negotiable securities of the United States, for the sole purpose of reselling the same, and thus making a profit, and repurchasing like securities to be sold in like manner, such capital being kept constantly absorbed in some form of such securities, and still be entitled to that immunity from State and municipal taxation, which would be accorded to an individual holding the same securities.—*Illinois Reports, vol.* 52, *p.* 414.

V.—Lionberger *v.* Rouse.

1. By the second limitation in the proviso to section 41 of the National banking act, which enacts that the tax which the section allows the States to impose on the shares held by persons in the said banks, "shall not exceed the rate imposed upon the shares in any of the banks, organized under the authority of the State, where such association is located."

Congress meant no more than to require of each State, as a condition to the exercise of the power to tax the shares in National banks, that it should, as far as it had the capacity, tax in like manner the shares of banks of issue of its own creation.

2. Accordingly, where a State, having at the time only two banks of issue and circulation, both of which two it had, by contract with them, disabled itself from taxing beyond a certain amount, had also numerous banks not banks of issue, having a far greater capital than the two of issue, laid a tax on all shares of stock in banks, and incorporated companies generally—the fact that it could not collect a tax past a certain amount in the two banks of issue, which it had at that time, was held no bar to the collection of the tax on the shares of the National banks for a greater amount.

—*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 468.

VI.—National Bank *v.* Commonwealth of Kentucky.

1. The right of the States to tax shares of the National Banks, reaffirmed.

2. The statute of Kentucky (set forth in the statement of the case) taxing bank stock, levies a tax on the shares of the stockholders, as distinguished from the capital of the bank invested in federal securities.

3. This is true, although the tax is collected of the bank instead of the individual stockholders.

4. The doctrine which exempts the instrumentalities of the federal government from the influence of State legislation, is not founded

on any express provision of the constitution, but in the implied necessity for the use of such instruments by the federal government.

5. It is, therefore, limited by the principle that State legislation, which does not impair the usefulness or capability of such instruments to serve that government, is not within the rule of prohibition.

6. A State requiring the National banks to pay the tax, which is rightfully laid on the shares of its stock, is valid under this limitation of the doctrine.

7. On a writ of favor to a State court, no question will be considered here which was not called to the attention of the State court.
—*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 353.

VII.—Provident Institution for Savings *v.* City of Boston. Pliny Jewell *v.* City of Boston.

The provisions of the statute of 1868, c. 349, for taxing National bank shares, owned by non-residents, are not unconstitutional; either as not being proportional, or reasonable, within the meaning of the Constitution of the Commonwealth, part 2, c. 1, § 1, art. 4; or as exceeding the limitation of the rate of assessment prescribed in the United States statutes, 1864, c. 106, § 41, and 1868, c. 7; or as being retrospective in their operations, or as denying to citizens of any State privileges and immunities of citizens of the several States.
—*Massachusetts Reports, vol.* 101, *page* 575.

VIII.—George Stetson *v.* City of Bangor.

A State tax assessed April 1, 1864, by the Assessors of the City of Bangor, to a citizen thereof, upon his shares in a National bank situated therein, and established under the Act of Congress of February 25, 1863, is constitutional, if levied in the same manner, and to the same extent as taxes on other similar property.

R. S., c. 6, § 5, authorizing taxes to be assessed upon "all shares in moneyed corporations," includes shares in National banks.

Sections 79 to 82 of c. 47 of the R. S., prohibiting the establishment of moneyed corporations, unless specially authorized by the legislature, do not apply to banking corporations established by authority of Congress.—*Maine Reports, vol.* 56, *page* 274.

IX.—The State, The Mutual Life and Casualty Insurance Company *v.* John B. Haight, Collector, &c., of Jersey City, New Jersey.

1. The Act of Congress of July, 1862, enacting that all stocks, bonds, and other securities of the United States, held by individuals, corporations or associations, shall be exempt from taxation,

by or under State authority, was only declaratory of the result of previous adjudication.

2. Such securities are also exempt from taxation by section 5 of the tax law of 1866.

3. Certificates, which seem to have been given for a loan, are of that class of securities which are exempted from taxation.

—*New Jersey Law Reports, volume* 34, *5th Vroom, page* 128.

X.—Strader and others *v.* Manville, Treasurer.

Monroe, Treasurer, *v* Strader and others.

The capital stock of a National bank, originally organized under the Act of Congress of 1863, is not exempt from taxation under the act of our legislature of March 15th, 1867, (acts 1867, page 216).

Where the assessment under said act of 1867 has been omitted by the County Auditor, and he has delivered the tax duplicate to the treasurer, the latter should insert it, but if a correct assessment be made by the auditor after such delivery, and acted upon by the treasurer, it is sufficient.

Where the correctness of an assessment so made by the auditor, in the number of the shares, and the amount of the tax was not questioned: *Held,* that an injunction would not lie to restrain the collection of the tax, because, the officers of the bank having failed to deliver to the auditor the statement provided for in the second section of the act of 1867, he did not summon them before him, and obtain from them such statement.

The capital stock of a National bank, liable under the act of 1867 to taxation, at that place where the bank is located, is not also liable under the general law to taxation again at other places where the stockholders reside.

Where a judgment has been taken against a defendant by default, on a complaint which does not state facts sufficient to constitute a cause of action, he may appeal to the Supreme Court, assigning the insufficiency of the complaint as error, without having made a motion for relief below.—*Indiana Reports, vol.* 33, *page* 111.

XI.—Thomson *v.* Pacific Railroad Co.

1. Although, confessedly, Congress may constitutionally make or authorize contracts with individuals, or corporations, for services to the government may grant aids by money or land in preparation for and in the performance of such services: may make any stipulation and conditions in relation to such aids not contrary to the constitution, and may exempt, in its discretion, the agencies employed in such services from any State taxation which will really prevent or impede the performance of them; yet, in the absence of all legisla-

tion on the part of Congress to indicate that such an exemption is deemed by it, essential to the full performance of the party's obligations to the government, the exemption cannot be applied to the case of a corporation deriving its existence from State law, exercising its franchise under such law, and holding its property within State jurisdiction, and under State protection, only because of the employment of the corporation in the service of the government.

2. The point decided in McCulloch *v.* Maryland does not establish a broader doctrine, even if some of its reasonings may seem to do so.—*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 579.

XII.—Van Slyke *v.* The State.

Taxation of National Banks.

1. Under the National banking act, a State may tax the shares of National banks therein located, although it does not tax *eo nomine* the shares of banks organized under its own authority, but only their capital; provided such a tax is a full equivalent for that imposed on the National banks.

2. The tax imposed upon the capital of banks organized under the banking law of this State, prior to the amendment of 1866, was annexed to the franchise as a royalty; and that part of their capital which consisted of U. S. bonds was subject thereto.

3. Such tax was a full equivalent for that imposed upon the shares of the National banks by chap. 400, Laws of 1865.

4. In an action to recover back moneys paid as taxes on the shares of a National bank located in this State, (under said chap. 400) it will be presumed (upon demurrer to the complaint) that the assessment upon the shares was not at a greater rate than that assessed upon other moneyed capital in the hands of individuals, unless the contrary is averred in the complaint.

5. Said chapter 400 is not invalid as being in conflict with sec. 1, art. 8, of the constitution of this State, which requires that the "rule of taxation shall be uniform."—*Wisconsin Reports, vol.* 23, *page* 655.

France.—The population of France in 1866 amounted to 38,067,094 souls; subtracting 1,597,238 inhabitants of the districts annexed to Prussia, a net total of 36,469,856 is left for the regions now within the reconstructed boundaries. In 1872 the census gave a population of 36,102,291, or a decrease of 366,935 below 1866. The principal causes of this deficit are the Franco-German war, the epidemics of small pox in 1870 and 1871, a falling off in marriages, and the excess of deaths over births. In regard to the sexes, the decrease is, males 235,830, females 131,105. There are now 17,980,476 males, and 18,122,445 females, showing an excess of females of 141,969. The males are classified as follows: Single 9,623,227, married 7,352,096, and widowers 1,005,153. The females are classified into single 8,832,148, married 7,320,510, and widows 1,969,787. It would naturally be supposed that the number of married males would be equal to that of the married females, yet the census gives an excess of 31,586 of the former class over the latter class. This evidently arises from accidental duplication, and shows how difficult it is to obtain correct census returns.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from July No., page 45.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of June, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

JUNE.		1873.		1872.		1871.		1870.		1869.		1868.	
1	**Sunday**	Sun.		14	14¾	**11¾**	12⅛	14¼	14⅝	38⅝	39¼	**39⅛**	39⅞
2	Monday...	17½	17⅞	Sun.		12⅛	12⅜	14½	**14¾**	38⅝	39⅝	39⅝	40⅛
3	Tuesday ..	17⅜	17⅝	14¼	14⅝	11⅞	12¼	14⅜	14½	38	38½	39⅞	40¼
4	Wednesday	17¾	**18¼**	14⅜	14⅝	Sun.		14¼	14½	37¾	38½	40	40⅛
5	Thursday..	17¾	18	14⅝	**14¾**	11⅞	12⅛	Sun.		38¾	38⅞	39¾	40
6	Friday	17⅞	18¼	14½	14¾	12⅛	12⅜	13⅞	14⅜	Sun.		39¼	39¾
7	Saturday ..	17½	18⅛	13⅞	14½	12	12¼	13½	14	38½	39	Sun.	
8	**Sunday.**	Sun.		13⅞	14⅛	12⅛	12⅜	13⅛	13½	38⅝	39	39½	39¾
9	Monday...	17¾	18	Sun.		12⅛	12¼	13⅜	13¾	38⅞	39¼	39⅝	39⅞
10	Tuesday ..	17½	17¾	14⅛	14⅜	12⅛	12⅜	13⅜	13⅝	38½	39⅝	39¾	39⅞
11	Wednesday	17⅛	17½	13⅞	14⅜	Sun.		13¼	13⅜	38⅞	**39⅝**	39⅞	40
12	Thursday..	16¾	17	13⅞	14⅛	12⅜	12¾	Sun.		39⅛	39½	39⅞	40⅛
13	Friday	16⅞	17⅛	13⅞	14⅛	12⅛	12⅜	12¾	13⅛	Sun.		39⅞	40
14	Saturday ..	16	17	13¾	14	12	12⅜	12¾	13	39⅛	39⅜	Sun.	
15	**Sunday.**	Sun.		13⅞	14	12¼	12⅜	12¾	13⅜	37⅞	38⅞	40	40¼
16	Monday...	15¾	16½	Sun.		12¼	12½	13⅛	13⅜	37⅝	38	40⅜	40⅝
17	Tuesday...	15½	15⅞	13⅞	14	12¼	12⅜	12¾	13⅛	37¾	38¼	40⅜	41¼
18	Wednesday	15¾	16⅛	13⅞	14⅛	Sun.		12¾	13⅛	37	38	40⅛	40⅜
19	Thursday..	15⅝	16	13⅝	13⅞	12⅜	12⅝	Sun.		**36½**	37	40¼	40¾
20	Friday	15¼	15⅝	13¼	13⅝	12⅜	12½	12⅝	12⅞	Sun.		40⅛	40⅝
21	Saturday ..	15¼	15½	13⅜	13⅝	12¼	12½	12¾	12⅞	36½	37½	Sun.	
22	**Sunday.**	Sun.		13⅛	13½	12⅛	12½	12⅝	12⅞	37⅝	38¼	40⅛	40⅝
23	Monday...	**15**	15⅜	Sun.		12⅜	12½	11⅝	11⅞	37	37½	40	40⅝
24	Tuesday ..	15⅜	15⅝	**13**	13½	12½	12⅝	11¼	11¾	36⅝	37⅛	40¼	**40⅞**
25	Wednesday	15½	15⅝	13¼	13⅜	Sun.		11	11¼	37	37½	40⅛	40½
26	Thursday .	15½	15¾	13½	13⅜	12⅜	12⅝	Sun.		37⅜	37⅝	40	40⅝
27	Friday	15½	15⅞	13¼	13¾	12⅝	12¾	**10⅞**	11½	Sun.		40	40⅜
28	Saturday ..	15¼	15¾	13⅜	13⅝	12¾	13⅛	10⅞	11½	37¼	37¾	Sun.	
29	**Sunday.**	Sun.		13½	13⅞	12⅞	13⅛	11¼	11⅝	37¼	37½	40	40¼
30	Monday...	15⅜	15⅝	Sun.		12⅞	**13⅛**	11½	11⅞	37	37¼	40¼	40⅝

The gold premium for the month of June, 1873, continues in excess of that for the same month in the years 1870, 1871, and 1872. The highest premium reached in June last was 18¼; in June, 1872, it was 14¾; in June, 1871, 13⅛. These facts prove incontestibly that the community has less confidence now than three or four years ago in the promised resumption of specie payments. The paper currency volume is yet too large for the commercial people of the country, and must be reduced at least twenty-five per cent. before the Treasury can safely return to specie payments.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page 47, July No.*)

STOCKS.	APRIL, 1873. Lowest.	APRIL, 1873. Highest.	MAY, 1873. Lowest.	MAY, 1873. Highest.	JUNE, 1873. Lowest.	JUNE, 1873. Highest.
U.S. Six per cts. of 1881, Coupon Bds.	118¾	121	119	122⅝	122¼	123⅛
" Five-Twenty of 1862, "	116	118⅝	114⅞	116¾	115⅞	117⅛
" " 1864, "	116	118⅝	114½	116¾	116¼	117¼
" " 1865, "	117⅞	120	117⅛	118¼	116⅝	119⅛
" " 1865, New, "	115⅛	118⅝	117⅜	119¼	118⅞	120¾
" " 1867, "	116½	120	119¼	121⅞	120⅜	121⅞
" " 1868, "	116	118	117⅞	120½	119⅞	120⅞
" Ten-Forty Coupon Bonds......	111	114⅛	113⅝	114⅝	112⅞	115
" Five per cent. of 1881.........	115¼	116¼	115¼	116¼	114⅝	115¾
" Six per cent. Currency.........	112¼	116	115	116¼	113¼	114½
Tenn. Six per cent. Bonds, Old.....	77½	80⅝	79	82	79	81
" " " New.....	78½	80¼	78½	82	78½	80½
Virginia Six per cent. Bonds, Old..	..	..	..	..	43½	43½
" " " New....	..	..	..	..	..	..
" " " Consol..	52	54	52½	54⅝	54⅝	55¼
N. Carolina Six per ct. Bonds.......	30	30	27	27½	26	28
" " New........	16½	17	..	..	16	16
" " Special Tax	13	16⅞	15	15	12¾	12¾
S. C. Six per ct. Bds. Jan. & July..	17½	19¾	15	17½	15¼	16¼
" " April & Oct..	23	27	28	28	25	25¼
Missouri Six per cent. Bonds........	93½	94	93½	94¼	93⅞	97
Canton Company of Maryland.....	90	92½	93½	110	99	101
Delaware and Hudson Canal Co....	112	115¼	114¼	117½	118	119
Consolidated Coal Co. of Maryland.	53¾	58½	54½	57⅛	49½	54⅝
Quicksilver Mining Company.......	38	40¼	36	40¾	38	41[illegible]
" " Preferred	50	50⅛	47	50	49¼	50¾
Mariposa Mining Company.........	..	..	..	..	..	..
" " Preferred	1	1¼	..	..	½	1
Western Union Telegraph Co......	77⅝	87½	84	88⅛	81⅛	86½
Pacific Mail Steamship Company..	53	61¼	39¾	57⅝	35½	41⅝
Adams Express Company..........	92¾	95¾	93	96	93	94¾
Wells, Fargo & Co. Express Co....	78	81⅛	79⅞	82	80	83
American Merchants' Union Express	65½	69	6[illegible]	69	63¼	68¾
United States Express............	71½	76½	70	74	70½	72
N. Y. Cent. and Hudson River R. R.	97	102¾	99⅜	102¼	100⅜	102½
Erie Railroad, Common............	63¼	66¾	59¼	65⅝	61⅜	65⅝
" Preferred...........	73	77	72	74	71	74½
Harlem Railroad, Common Shares.	120	137½	122½	131	124	132¾
Reading Railroad Shares...........	..	..	..	..	..	..

Stocks.	April, 1873. Lowest.	April, 1873. Highest.	May, 1873. Lowest.	May, 1873. Highest.	June, 1873. Lowest.	June, 1873. Highest.
N. York & New Haven R.R. Shares..	135½	139	137½	140	132½	140¼
Michigan Central Railroad Co.....	103½	105¾	103½	105½	95	102½
Lake Shore & Mich. Southern R.R..	88¾	93¾	89⅝	93	90¼	94⅝
Panama Railroad Company Shares..	103	112½	109	117¾	108	112⅝
Union Pacific Railroad " ..	25	35	25¼	32¾	22	28⅝
Illinois Central Railroad " ..	114	118	113½	118	105	114
Cleveland & Pittsburgh R.R. " Gtd.	88	89½	87	89¾	87⅛	88
" Col., Cinn. & Ind. R.R...	82½	87½	86½	90	84¼	88
Chicago, Rock Island & Pacific R.R.	104½	114¾	107	111⅝	107¾	110⅞
" Burlington & Quincy "	109	111	107	109½	103¾	105
" & Alton Railroad Shares..	110	111¼	110¼	111½	108	110
" " " Pref.	112	113½	..	..	112	112½
" & Northwestern R.R. Shares	76	82¼	78	82	70½	76
" " " Pref.	83	88	84½	87½	81	85
Del., Lackawanna & West. R.R. Co.	95	101	100	105	96	106
Pittsb'gh, Ft. Wayne & Chic., Guar.	91½	93¾	93	93¾	93⅛	95
Toledo & Wabash R.R. Co. Shares.	62	72⅞	67¾	70⅝	64¾	69¾
" " " Pref.	..	..	..	..	..	..
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
" " " Pref.	..	..	..	..	..	..
Ohio & Mississippi R.R. Co. Shares	40⅝	45½	40⅝	44⅛	36⅝	41⅞
Hannibal & St. Joseph R.R. "	37	45⅛	35	42	32	37¼
" " " Pref.	65	65	..	..	54	54½
Milwaukee & St. Paul R.R. Shares	53	62¼	53½	58⅞	49⅝	55⅝
" " " Pref.	68¾	76	71½	73⅞	70¾	73
Boston, Hartford & Erie R.R. Shares	2⅞	4⅝	2⅛	3⅛	2	3
Col., Chic. & Ind. Cen. R.R. Shares	35½	40½	29⅝	37½	26½	31¾
Dubuque & Sioux City Railroad...	..	..	..	..	..	..
New Jersey Central Railroad Shares	96	103	102	106¼	105	106½
Morris & Essex Railroad Shares...	90	92	92	94	90½	95
N. Y. Central Six p. ct. Bds. of 1883	94½	95½	90	92½	90½	93
Erie First Mortgage Bonds of 1868..	103	103⅝	101	101½	101⅞	102½
Long Dock Bonds................	95½	97½	97¾	99	96¼	96½
Mich. Southern Sinking Fund Bonds	104½	105	101	103	103	104
" Seven p. ct. 2d Mtge.	99	100	97	98½	98	99
Central Pacific 1st Mortgage Bonds	102½	103½	102¼	103¾	102⅞	103½
Union " " "	85½	87⅛	85	37	86	87¼
" " Land Grant Bonds..	73¼	75¼	68	75¼	67½	71½
" " Income Bonds.......	72¼	74½	58	73	57	63⅞
Alton & Terre Haute 1st Mtge. Bds.	..	..	99	100	100	102
" " 2d " Pref.	88	88	88	88½	88½	90
" " " Income Bds.	80	82	78	78	78½	80
Belleville & So. Ill. 1st Mtge. 8 p. ct.	..	..	96	97	97¼	97¼
Chic. & N. W. Consol'n S. F. Bonds	90	91¼	89	89¾	89½	91½
" " 1st Mortgage Bonds..	97	100	98½	101¼	100½	102
Cleveland & Tol. Sinking Fund Bds.	102	102	102	104	104¼	104¼
" & Pittsb'gh Consol'n Bds.	..	..	..	..	94	94
" " Second Mtge.	..	..	100	100	102	102
" " Third "	100	100	97¼	97½	98½	98½
" " Fourth "	84	85	85½	87	..	..
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	103⅝	104	103½	104⅛	104½	106½
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds.	94½	98½	97⅞	98½	97⅞	100½
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	85½	87	86⅝	89¾	87¾	89
" " " " 2d "	72¼	73½	70	73½	70	72
Toledo, Peoria & Warsaw 1st, E D.	89½	91	91	93½	91	91
" " " 1st, W D.	87½	88	88	88⅞	89	89½
" " " 2d, W D.	..	..	74	74	75	77
Cedar Falls & Minn. 1st Mtge. Bds.	80	82	80	81	81	81½
Boston, Hart. & Erie 1st Mtge. Bds.	36	41¼	34¼	38¼	28	35½

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to July 1, 1873.

	Jan. 1, 1869.	January 1, 1871.	January 2, 1872.	January 1, 1873.	June 1, 1873.	July 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$221,589,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	200,000,000	200,000,000
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	1,050,002,300	998,502,300
	$2,107,835,350	$1,935,342,700	$1,853,856,700	$1,756,651,450	$1,747,305,950	$1,695,805,950
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$50,097,000	$64,618,832	$64,618,832	$64,623,512	$64,623,512	$64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$119,962,000	$122,847,194	$101,321,832	$82,081,512	$79,301,512	$79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$7,463,503	$7,315,822	$1,739,938	$4,084,220	$2,156,270	$51,929,710
BEARING NO INTEREST:						
United States Notes	$356,021,073	$356,101,086	$357,592,801	$358,642,295	$356,082,622	$356,079 968
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	45,276,542	44,799,365
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	30,448,600	39,460,000
Currency, do. do.	....	....	....	25,370,000	29,125,000	31,730,000
	$417,272,808	$422,245,175	$434,419,378	$452,997,356	$460,932,864	$472,069,333
Aggregate Debt	$2,652,533,662	$2,487,750,892	$2,391,328,848	$2,295,814,538	$2,289,696,596	$2,299,106,505
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	110,779,115	129,020,932
Debt, less coin and currency	$2,540,707,201	$2,349,664,320	$2,264,034,528	$2,186,208,689	$2,178,917,481	$2,170,085,573

Coin in the Treasury, July, 1873, $87,507,402; Currency, $41,513,530; total, $129,020,932.

LIENS ON BANK DEPOSITS.

Important Decision by Judge Blatchford—The Proper Jurisdiction of State Courts.

In the case of C. CADLE, Jr., Receiver of the FIRST NATIONAL BANK OF SELMA, ALA., *v.* BINFORD A. TRACY and others, recently tried in the United States Circuit Court, the bill alleges that the bank became insolvent on April 16, 1867; that, at the time of its insolvency, a part of its assets, amounting to $ 6,972.88 in currency and $ 8,409.96 in gold coin, were in possession of the OCEAN NATIONAL BANK, of the City of New York; that the defendant, TRACY, claims a portion of them under an attachment issued in his favor, as a creditor of the BANK OF SELMA, by the Supreme Court of New York, on April 29, 1867; that the BANK OF SELMA, on and before April 12, 1867, was indebted to the UNITED STATES in more than $ 250,000; that the UNITED STATES recovered a judgment for that amount in the Southern District of this State on August 20, 1867; and that the UNITED STATES have a prior lien on the said assets in the possession of the OCEAN BANK. The prayer of the bill is that TRACY may be enjoined from proceeding further on his attachment, or on any judgment in the suit in which it was issued, and that the money in the possession of the OCEAN BANK may be paid to the plaintiff.

The answer of the defendant, TRACY, admits that the BANK OF SELMA became insolvent, as alleged in the bill; that the OCEAN BANK had in its possession the assets referred to, and that the UNITED STATES recovered the judgment above mentioned. It then sets up that the BANK OF SELMA, on April 15, 1867, gave to the defendant, TRACY, eight drafts drawn by it on the OCEAN BANK, all dated on that day, for $ 8,500 in the aggregate, payable to his order; that payment of the drafts was demanded, and was refused by the OCEAN BANK on April 27, 1867; that on the same day notice thereof was given to the BANK OF SELMA; that, on April 29, 1867, an action was begun on the drafts by TRACY, against the BANK OF SELMA, in the Supreme Court of New York, by publication of a summons and by attachment; that on the same day the attachment was levied by the sheriff on the money in the OCEAN BANK; that on May 13, 1869, an order was made in that suit, on the application of CADLE, whereby he, as receiver of the BANK OF SELMA, was substituted as defendant; that thereupon CADLE interposed an answer, that the suit was tried, and that TRACY recovered judgment in it on February 29, 1871, for $ 11,573.24; that CADLE appealed from the judgment, and the General Term of the Supreme Court affirmed it; that both of the judgments remain in force; that thereby TRACY has a lien on said

money, which is paramount to CADLE'S claim, and the amount of the judgments ought first to be paid out of said money, and the rights of CADLE extend only to the surplus of them; that CADLE, by his answer in the suit in the State Court, claimed, as his defense, that the Court had no jurisdiction either over him as an officer, over the BANK OF SELMA, or over the subject of the action; that it was his duty, as receiver of that bank, to make such disposition of its assets as was required by the act of June 3, 1864, and that to permit service of process in that suit, by attachment, to be effective, would be contrary to said act; that CADLE, by his answer, also set up the indebtedness of the BANK OF SELMA to the UNITED STATES, and the judgment in favor of the UNITED STATES, and claimed that they had a prior lien on said money; that on the trial of that suit the State court found, as a conclusion of law, that it acquired jurisdiction over the BANK OF SELMA and over CADLE to the extent of the funds attached; that it had no jurisdiction over the subject of the action; that the cause of action arose in this State; that the act referred to contained no provision operating to defeat the attachment in that suit; that the UNITED STATES has not acquired any prior lien on the funds, and that TRACY was entitled to judgment against CADLE, as such receiver, for $ 10,766.48 and costs, to be levied and collected out of the attached funds; that the bill in this suit is for the same matters and based on the same grounds set up by CADLE in the suit in the State court; and that the validity of TRACY'S claim, by virtue of the attachment and judgments in the suit in the State court, and TRACY'S right to have the same paid out of the said money, was determined. The answer then sets up the said judgments, and prays the same benefit of them as if he had specially pleaded them in bar to the bill, and as an estoppel to the plaintiff in this suit.

In the course of a long decision in this case, given recently, Judge BLATCHFORD says: "As the State court had no jurisdiction, the attachment, which is the only claim asserted by TRACY to a right to the moneys in the possession of the OCEAN BANK, must fail, and the plaintiff must have evidence declaring his title to such moneys to be free from any claim made by TRACY. Of his title to them, under the act, TRACY'S claim being out of the way, and of his right and duty, under section 50, to collect them, and of his right to bring this suit in this court to collect them, there can be no doubt. (KENNEDY *v.* GIBSON, 8 WALLACE, 498.) Some disposition, before a decree can be entered, must be made of the case as against KELLY, as late sheriff, either by taking the bill as confessed against him, or otherwise. The injunction prayed for against TRACY must issue, for the bill sets up and admits the lien of the UNITED STATES on the moneys in the OCEAN BANK, and the answer of the UNITED STATES also claims such lien, it must be recognized and received by the defense in respect to such moneys as the OCEAN BANK should be decreed to pay. The bill claims that the OCEAN BANK should pay to the plaintiff the full sum of money, with interest from April 15, 1857. That bank has gone into insolvency. Its receiver, by his answer, sets up that he had declared dividends of 70 per cent. from the assets of that bank,

and expects to declare further dividends therefrom. He also admits that the bank paid the $6,972.88 in currency, and the $8,409.96 in gold coin, and avers that the latter has been converted into $9,155.43 in currency, making an aggregate of $16,128.31 in currency, and that he has 70 per cent. of that sum in his possession to the credit of the BANK OF SELMA, and payable as may be decreed by this court. The plaintiff, in a special replication to such answer, objects to the sale of the gold, and claims that the receiver of the OCEAN BANK should account for the gold and currency, with interest, as a special fund or trust unaffected by any ability to declare any dividends. The question has not been discussed on the part of the receiver of the OCEAN BANK, and the parties interested in it are entitled to be heard.

The final decree in the suit was in favor of the receiver of the BANK OF SELMA, CADLE, who was decreed to take the funds sued for and apply them towards the debt of the UNITED STATES against that bank. Thé attachment creditor, TRACY, was decreed to have no lien, the N. Y. Supreme Court having no jurisdiction to create one.

NEW HOLIDAY LAW OF NEW YORK.

CHAPTER 577.—An Act to amend an Act entitled "An Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy. Passed May 22, 1873.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section one of an Act entitled "An Act to amend an Act entitled an Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy, is hereby amended so as read as follows:

SEC. 1. The following days, namely: The first day of January, commonly called New Year's Day, the twenty-second day of February, the fourth day of July, the twenty-fifth day of December, any general election day, and any day appointed or recommended by the Governor of this State or the President of the United States as a day of thanksgiving, or a day of fasting or prayer, or other religious observance, the thirtieth day of May, to be known as Decoration day—shall, for all purposes whatsoever, as regards the presenting for payment or acceptance and of the protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after the passage of this act, be treated and considered as the first day of the week, commonly called Sunday and as public holidays.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next

following shall be deemed and considered as the first day of the week, or Sunday and a public holiday—for all or any of the purposes aforesaid; and all bills of exchange, checks and promissory notes, which shall, with or without grace, become due and payable **on Sunday,** or on any of the days mentioned in the preceding section, or on any Monday kept, as aforesaid, as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

SEC. 3. All acts, or parts of acts, inconsistent with this act are hereby repealed; but such repeal shall not affect any act done or proceeding or suit instituted prior to the passage of this act.

SEC. 4. This act shall take effect immediately.

Owing to a singular error in the above law, in including the words "on Sunday," the law was amended under date May 29th, as follows:

Passed May 29, 1873.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next following shall be deemed and considered as the first day of the week, or Sunday, and a public holiday for all or any of the purposes aforesaid, and all bills of exchange, checks, and promissory notes made on or after the 22d day of May, 1873, which shall, with or without grace, become due and payable on any of the days mentioned in the preceding section, or on any Monday kept as aforesaid as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

LEGAL HOLIDAYS IN NEW YORK, 1873.

	Holidays.		*Paper will be Payable.*	
Tuesday	November 4, 1873	..	Wednesday	November 5.
Thursday	December 25, 1873	..	Friday	December 26.

LEGAL HOLIDAYS IN 1874.

Thursday	January 1, 1874	..	Friday	January 2.
Monday	February 23, 1874	..	Tuesday	February 24.
Saturday	May 30, 1874	..	Monday	June 1.
Saturday	July 4, 1874	..	Monday	July 6.
Tuesday	November 3, 1874	..	Wednesday	November 4.
Friday	December 25, 1874	..	Saturday	December 26.
Thanksgiving	November —, 1874	..		

Commercial paper due on either of the above holidays will be payable on the next business day.

BANKING AND FINANCIAL ITEMS.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC.

The cards of Banks and Bankers are inserted in the BANKER'S MAGAZINE (monthly) at thirty dollars per annum, and in the BANKER'S ALMANAC (annually) at twenty-five dollars, and will thus reach every bank and banker in the UNITED STATES.

STATE TAXATION OF NATIONAL BANKS.—National banks organized under the act of February 25, 1863, (12 U. S. Statutes at Large, 665), are subject to State taxation within the limits indicated by section 41, of the act of June 3d, 1864, (13 U. S. Statutes at Large, 111). That section is an authoritative interpretation by Congress, of the intent of the act of 1863, and shows that that act did not exclude State taxation—STETSON *v.* CITY OF BANGOR, 56 ME., 274.

THE NEW TRADE DOLLAR.—The new silver trade dollar was issued on 16th July, at the United States Mint in Philadelphia. Several hundred thousand will soon be manufactured and shipped to San Francisco for distribution throughout the North-West and Pacific slope. The coin is not as large as the old silver dollar, but its composition is the same. The following is a description of the new piece: Upon the obverse side is a female figure seated on a bale of cotton and extending the right hand, grasping an olive branch, toward the open sea. In the left hand is a scroll bearing the word "Liberty," and at the base of the device appears the motto, "In God we Trust." The date of the coinage—"1873"—is upon the obverse, together with a halo of thirteen stars. The reverse bears the figure of a spread eagle, with the inscription, "UNITED STATES OF AMERICA," and the motto, "E Pluribus Unum." The weight and fineness, with the words, "Trade Dollar," are also inscribed upon the reverse side.

THE NEW COINAGE LAWS.—TEN MILLIONS OF LIGHT COIN.—There are some inconveniences resulting from the new act of Congress fixing the value of light coins. Section 14 thus established the standard weight of all United States gold coins:

"Which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in this act for the single piece, and, when reduced in weight below said standard and tolerance, shall be a legal tender at valuation in proportion to their actual weight; and any gold coin of the UNITED STATES, if reduced in weight by abrasion not more than one-half of one per centum below the standard weight prescribed by law, after a circulation of twenty years, as shown by its date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury and its officers, under such regulations as the Secretary of the Treasury may prescribe for the protection of the government against fraudulent abrasion or other practices; and any gold coins in the Treasury of the UNITED STATES reduced in weight below this limit of abrasion shall be recoined."

Under this provision the officers of the Sub-Treasury in this city have been overhauling the forty millions of gold in its vaults, and have sent to the Assay

Office on Wall Street the coins prohibited from circulation by the act. The amount so delivered to be parted by the Assayer, run into bars, stamped with the degrees of fineness, and to be forwarded to the Mint of the UNITED STATES at Philadelphia for recoinage, is estimated to be ten millions of dollars.

THE NEW STERLING EXCHANGE AND COINAGE ACTS.—From information obtained of the Director of the Mint, it appears that the value of the sovereign or pound sterling and the par of exchange does not become operative until the 1st of January, 1874. The valuation of the pound sterling, as expressed in the money of account of the UNITED STATES, will be $4.86⅝, instead of $4.84 as at present, and exchange will be quoted in United States money, and not at an assumed premium on the old colonial valuation, the nature of which is not generally understood. In view of these important changes, Dr. LINDERMAN thinks it will be well for merchants and exchange dealers to turn their attention to the subject. The *London Economist* has an interesting article on this subject, which it characterizes as of "high importance, inaugurating another of the revolutions now taking place in the coinage systems of the world" The *Economist* expresses the opinion that our "trade dollar" is certain to carry a larger premium than the Mexican dollar. The principal advocate of the adoption of the system of coining the standard metal, gold, without charge, and from whom the proposition to issue the trade dollar, containing exactly 378 grains of pure silver, and a reform in the system of computing foreign exchanges emanated, is Dr. H. R. LINDERMAN, the Director of the Mint. Few measures will prove of more substantial benefit than the Coinage act, and the law providing that the basis for converting foreign moneys of account into that of the UNITED STATES shall be the pure metal, contained in coins of standard value, instead of coins abraded more or less by circulation, and consequently not representing the values they were intended to denote. The English critics of our law do not like its operation, especially in the fact that it treats their coin as bullion in converting it into our coin.—*Philadelphia Ledger.*

THE LATEST PATTERN OF FIFTY-CENT NOTES.—The plates for the new fifty-cent note have been prepared at the Bureau of Engraving and Printing of the Treasury Department, and the printing commenced. The new note will be about a quarter of an inch shorter than that now in circulation and a quarter of an inch wider, its dimensions being 3¾ inches long by 2 inches wide. On the face of the note, left-hand side, is a vignette head of SAMUEL DEXTER, who was Secretary of the Treasury in 1801, and a former Governor of the State of MASSACHUSETTS. On the right of the note is a section of geometrical lathework, with the words "fifty cents" in white letters engraved across the face. The story or lettering on the note is the same as on the present issue, with the exception of the words "receivable for all United States stamps," at the bottom of the old note, which are omitted on the new one. The seal is printed in the centre of the face, and is enclosed in cycloidal work, a new feature upon fractional currency. The back of the note (which will be printed in New York) will be in green. It is made up of geometrical lathework and scrolls. On the right-hand corner the word "cents," found on the old note, is omitted, and the numeral "50" takes its place. The date of the passage of the act authorizing the issue is omitted from the face of the new note and put upon the back thereof. On the left-hand side of the back there is an open space to show the fibre in the paper, and it will not be shown on the face as much as in the old note. The new note, of course, will take the place of the one now in circulation, as the present issue has been counterfeited, although not to any great extent. No other new fractional currency will be issued at present.

DIVIDENDS.—The Comptroller of the Currency has declared a dividend of 40 per cent. in favor of the creditors of the ATLANTIC NATIONAL BANK, of New York city, payable on the first day of July; also a second dividend to the creditors of the FIRST NATIONAL BANK OF NEVADA, in Austin, making in all dividends of 65 per cent.

A dividend of fifteen per cent. was, on June 28th, paid the depositors of the GUARDIAN SAVINGS BANK by the receiver, JEREMIAH QUINLAN, which makes an aggregate of seventy-five per cent. paid on the whole sum deposited.

THE STUYVESANT BANK.—PREFERENCE FOR SAVINGS BANK CLAIMS.—The

estate of the STUYVESANT BANK is now in process of settlement in bankruptcy, and the NEW YORK SAVINGS BANK and the SIXPENNY SAVINGS BANK, both of which had money on deposit in the STUYVESANT BANK, put in claims before the Register for the full amount of their deposits, on the ground that, under the State law, their claims operate as liens, having a preference over the claims of the other creditors. Judge BLATCHFORD held that this was so far as the items of the amounts deposited came within the provisions of the State law, and the matter is referred back to the Register for proof on these points.

THE BULL'S HEAD BANK, which suspended some months ago, has been reorganized under the State law, with a capital of $300,000. President, ADAM S. CAMERON; Cashier, GEORGE F. VAIL. Checks on this bank are cleared through the METROPOLITAN NATIONAL BANK.

THE LOANER'S BANK, of the city of New York, at 20 and 22 Nassau Street, is organized under a special charter of the State for loaning upon collaterals; keeping accounts of bankers, savings banks, &c. They offer to give special attention to the interests of correspondents. President, DORR RUSSELL; Vice-President, A. F. WILLMARTH. Their card will be found among those upon the cover of this work.

FINANCIAL.—The payment of the Alabama indemnity fund as arranged by the English Government will be effected without derangement of the money or exchange markets, as was apprehended would be its result. For the first time on record, the English Government has availed itself of the services of American bankers in London. The houses selected were J. S. MORGAN & CO., MORTON, ROSE & CO., and JAY COOKE, MCCULLOCH & CO. It was determined by them to transmit the indemnity fund partly in money and partly in United States five-twenty bonds, and, in accordance with this plan, DREXEL, MORGAN & CO., in New York, have drawn bills of exchange for about eight millions of dollars, somewhat over one-half the fund, which amount has already been placed to the credit of the British Government in this country. It is not the intention to transmit any more in this manner, but the balance, seven and a half millions, is to be paid in the called-in five-twenty bonds. Of these, a considerable portion have already been obtained for shipment. Practically, the transmission of the Alabama indemnity to the UNITED STATES may be regarded as almost completed, and this important financial transaction has been managed with skill. The award is payable in Washington September 13.

RAILROADS OF THE UNITED STATES.—A manual of the railroads of the UNITED STATES for 1873–74, showing their organization, route, mileage, stock, bonds, debt, cost, traffic, earnings, expenses, dividends, etc.; comparative tabular statements for a series of years given, debts of States, other valuable tabular information, etc; by HENRY V. POOR. The sixth series of the above well-known work, greatly enlarged and improved, is just published. One volume, octavo, 1,000 pages, bound in muslin. Orders received at the office of the BANKER'S MAGAZINE. Price, $5.

ALABAMA.—The report circulated that ALABAMA would not pay the July interest on her bonds it is now ascertained is partly an error. ALABAMA will meet promptly the July interest on her "straight" or regular State bonds, but owing to failure of the purchasers of the Alabama and Chattanooga Railroad to consummate their purchase-bargain with the State, the July interest on the railroad bonds guaranteed by the State will not be paid. This is quite a disappointment to Alabamians. During the war that State sent gold through the blockade to pay European holders of State bonds, and her credit has always been guarded with a jealous eye. It is believed that this failure will be temporary, and will be remedied when the Legislature meets. The default, however, does not affect any of the regular Alabama State loans or June interest on the railroad indorsements, which will be promptly met.

THE FINANCIAL EMBARRASSMENTS OF THE CITY OF MOBILE.—A committee of the Mobile Common Council report that on the 9th June there was a deficit of $32,941.77 in the city finances, and that the city will be unable to meet its July coupons and bonds. The total bonded debt is $2,911,800, besides $750,000 bonds now in the hands of a trustee, and subject, under the Harrington contract, to the demand of the Mobile and Grand Trunk Railroad

Company, and $700,000 of the $1,000,000 gold bonds contracted by the Horst administration to be given in aid of the Mobile and Northwestern Railroad Company. Should these two items be added to the present total the bond indebtedness would be swelled to $4,361,800, or to about one-fifth of the entire taxable property of the city. The committee estimate that to pay all overdue and current liabilities and carry on the city government in the most economical manner for the year will require not less than $499,603, while the annual revenue from all sources cannot possibly exceed $500,957.32. It has never come up to that standard, there being now $200,000 taxes in arrears for former years, and a deficiency of $26,000 in the collections for the current year. The committee recommend that immediate legal steps be taken to withdraw from the custody of the trustees the $750,000, and the $700,000 now held as above mentioned, and that legal advice be taken as to the priority among the different claims on a revenue inadequate to meet the whole of the municipal liabilities.

CALIFORNIA.—The gold coinage at the SAN FRANCISCO MINT for the months of July and August will, according to the information from the superintendent, be $6,000,000, *i. e.*, $3,000,000 each month.

The yield of the Crown Point and Belcher mines continues at the rate of $3,000,000 a month, in equal part of gold and silver. These metals are sent to SAN FRANCISCO, where the gold is coined into double-eagles, and the silver shipped to ENGLAND in bars.

This year there will be coined at the three mints about $10,000,000 in gold, independent of recoinage. The recoinage is for the purpose of making the coin conform to the recent law of Congress. Where there is an abrasion of more than one-half of one per cent. there must be a recoinage.

San Francisco.—The Directors of the BANK OF CALIFORNIA have demonstrated their appreciation of W. C. RALSTON, Cashier of the bank since its organization nine years ago, by unanimously electing him to the presidency in place of D. O. MILLS, who has tendered his resignation to take effect on the 15th inst. Probably no other selection could have more satisfactorily met the wishes of shareholders and the mercantile community at large.

Marysville.—On July 11, a bold attempt was made by three men to rob the bank of DECKER & JEWETT. FRANK WHIPPLE, one of the robbers, entered the bank and presented a pistol at Mr. JEWETT'S head. JEWETT fell down and made his way to the desk where Mr. BINGHAM, the chief clerk, was writing. WHIPPLE leaped over the counter followed by BINGHAM, who instantly shot WHIPPLE in the neck. A desperate and general fight then ensued. Several shots were fired, when the combatants clubbed their pistols. Finally, WHIPPLE turned to run out of the bank, when BINGHAM and JEWETT simultaneously fired upon him with double-barreled shot guns, and he fell mortally wounded on the sidewalk. WHIPPLE says he had two confederates, named JOHN TONEY and W. P. WINKLESY. They escaped, and officers and citizens are pursuing them. WHIPPLE is shot through the body in many places.

San Francisco.—The California Stock Exchange Board—the small Board—April 17th, elected the following officers for the ensuing year: President, T. J. L. SMILEY; Vice-President, C. L. WELLER; Caller, JOSEPH TILDEN; Secretary, W. W. LAWTON. This Board has been in existence one year, and, from February, 1872, to January, 1873, inclusive, their recorded sales amounted to $16,561,196.

HEAVY JUDGMENT UPON A SMALL NOTE.—In the case of BURNS *v.* PITCHER, judgment was rendered in the Justices' Court, in favor of the plaintiff, for $200 principal, and $1,680 interest thereon at the rate of five per cent. per month from June, 1859. The defendant left the State in July, 1859, and remained away until quite recently, in consequence whereof the statute of limitations did not operate in his favor. He did not resist the suit.—*San Francisco Bulletin.*

Paper Currency.—Some of our contemporaries have been trying their hands at a little financial kite-flying, and advise that the people of this State should abandon their gold and silver money, and their gold notes, and adopt what they term the "national currency," meaning greenbacks and National bank

notes. It seems almost superfluous to discuss this question seriously, especially at this late day, when the pernicious character of our irredeemable and fluctuating paper currency has been so clearly demonstrated that everywhere, in every portion of the country cursed by its use, the universal cry is, down with it, and let us return to a specie basis with all the speed possible. In New York they have, for some time past, been paying from 275 to 300 per cent. per annum for the use of money for a single night or two, and this has occurred day after day. Here, although money is dear and interest high, no such exorbitant demands are made, and no such concessions given. Our market operates with a steadiness and regularity unexampled elsewhere at from 15 to 20 per cent. per year in commercial, and 9@12 per cent. per annum in savings banks. Neither is it possible for cliques or rings to lock up our pecuniary resources under the present condition of things, and force all other interests to bleed for their exclusive benefit. When a merchant buys a bill of goods he knows precisely what they cost at the time of purchase, and what they will stand him in sixty or ninety days afterwards. It is quite different where paper currency obtains. A New York merchant selling a bill of merchandise to the extent of $50,000, on the 1st of January last, payable in currency on the 1st of March, would find that he had suffered a loss of $ 3,500, that being the difference in the value of $ 50,000 in currency at the dates mentioned. Every article for which paper money is paid as an equivalent is measured by the gold standard. A thing that is purchasable for one dollar in gold cannot be had for less than a dollar and fifteen cents in currency, at this time; and its price is subject to all the fluctuations of the constantly changing purchasing power of paper money. The mechanic or laborer who receives his week's wages in gold knows precisely what it is worth now and all the time; but if he be paid in currency, he is always in doubt, and incapable of making his calculations with any degree of exactitude. There is no law in this State prohibiting a man from receiving pay in greenbacks or national bank notes if he so desires, and those who have a preference for that sort of money can be accommodated without difficulty. All who have given this subject any attention show a marked predilection for gold and gold notes, which are also national currencies, and infinitely better suited to our requirements.—*Commercial Herald, San Francisco.*

CONNECTICUT.—THE NEW USURY LAW.—The following is the exact text of the new law:

SECTION 1. No person, savings bank, banking association, or incorporated institution in this State, upon any contract for the loan of money, or goods, wares, merchandise, or any property whatever, shall take, directly or indirectly, more than the value of seven dollars for the forbearance of one hundred dollars for one year, and at that rate for a greater or less sum, or for a longer or shorter time.

SEC. 2. Every person, or incorporated institution, which shall take, accept, or receive, by means of any bargain, loan, exchange, conveyance, or otherwise, more than the sum of seven dollars for the forbearance of one hundred dollars in money, or other property of that value, for one year, and at that rate for a greater or less sum, or for a longer or shorter time, shall forfeit the value of the money, or other property so taken, accepted, or received, for forbearance, to any person who shall, within one year thereafter, sue therefor, and prosecute his suit to effect.

SEC. 3. Section six of "An Act entitled An Act to restrain the taking of Usury" shall remain in force, except so far as the same relates to savings banks, savings institutions, and building associations.

SEC. 4. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 5. This act shall not affect any contract or suit now pending; and shall take effect from its passage.

CONNECTICUT SAVINGS BANKS.—Both Houses have passed a resolution appointing a committee to fully investigate the condition of the savings banks of this State. According to the *Hartford Times*, there is a prevalent impression that the bank commissioner has not been thorough enough in this part of his duty, and that some of the savings banks have been outside of the law, in

making loans. The committee, which is likely to be thorough in its work, is composed as follows: DAVID P. NICHOLS, of Danbury, late State Treasurer; THOMAS S. MARLOR, of Brooklyn, and JOHN W. STEDMAN, of Norwich.

COLORADO.—Messrs. COLLINS, SNIDER & CO. have established a banking house at DENVER. The firm is composed of old residents of the city and territory.

GEORGIA.—The FIRST NATIONAL BANK OF NEWNAN continues its business as heretofore at that place. A bill granting them the *privilege* of changing their name and location to the "NATIONAL BANK OF COMMERCE, OF ATLANTA," was passed by Congress, but the stockholders have never accepted this privilege and have no intention of doing so. The announcement in our June number was therefore inaccurate.

ILLINOIS.—The GRIGGSVILLE NATIONAL BANK, (No. 2115), was organized in July, at Griggsville, Pike County, with a capital of $35,000, limited to $50,000. President, JAMES MCWILLIAMS; Cashier, ISAAC A. HATCH.

INDIANA.—The GERMAN NATIONAL BANK, of Evansville, has commenced business with a capital of $250,000. SAMUEL ORR, President; JOHN A. REITZ, Vice-President; PHIL. C. DECKER, Cashier. Their New York correspondent is the THIRD NATIONAL BANK.

IOWA.—The FARMERS' NATIONAL BANK OF MARSHALLTOWN, Marshall County, (No. 2115), was organized in June, with a capital of $ 50,000, limited to $ 100,000. President, HENRY E. J. BOARDMAN; Vice-President, JOHN TURNER; Cashier, JOHN H. H. FRISBEE. This bank takes the place of the MARSHALL COUNTY BANK. Their New York correspondents are Messrs. LEONARD, SHELDON & FOSTER.

KENTUCKY.—REMARKABLE LEGISLATION.—It is a fact as unpalatable as it is startling that there is no security in the State of KENTUCKY for capital loaned within our borders by foreign corporations, which rely only upon the rights guaranteed by the law of their creation and the common law of the land. Astonishing as it may seem, it has been found necessary to check and limit the introduction of capital, and to prescribe for the violation of the antedeluvian mandates adopted to hamper and intimidate capitalists a penalty no less than the total forfeiture of the sums involved. Section 6 of the chapter of the State code on currency reads as follows: "No corporation not expressly authorized by law of this State shall loan money, discount any evidence of debt, or deal in the buying or selling of exchange. Every person acting as an officer, servant or agent of a corporation, who shall aid such corporation in the violation of this section, shall for every such offense be fined from fifty to five hundred dollars. All contracts made in violation of this section shall be void, and all money paid by way of interest, discount, or for difference of exchange in violation thereof, may be recovered back by the party paying or his creditor." Such is the legacy left us by the committee on revision of statutes appointed by the extraordinary body which last week closed the carnival of legislative folly at Frankfort.

—*Louisville Courier Journal.*

DIVIDENDS.—The BANK OF KENTUCKY and the NORTHERN BANK OF KENTUCKY each announce a dividend of 5 per cent.; and the BANK OF LOUISVILLE a dividend of 3 per cent., payable on demand.

KENTUCKY.—The Louisville *Courier-Journal* of the 6th July announces the death of JOSHUA B. BOWLES, of that city, which occurred on the 4th July, and pays a high and well-deserved tribute to the deceased. Mr. BOWLES was born in Albemarle County, VIRGINIA, in the year 1795, and at an early age he migrated with his father to the West. After many wanderings and vicissitudes of fortune he came to Louisville; there he found no employment for some time; but his natural energy and perseverance would not allow him to remain without employment. Mr. BOWLES is spoken of as a man possessing remarkable traits of character in many ways, peculiarly his kindness of heart. He rose rapidly in position and influence, having been president of the BANK OF LOUISVILLE, and occupying many other offices of trust and dignity, and his well-known generosity made him the benefactor of the poor as well as the friend of the rich. Mr.

BOWLES possessed the true traits and character of one of nature's noblemen. He died a Christian, and his life from the first was one of purity and nobility.

LOUISIANA FINANCES.—The indebtedness of the State, according to a statement prepared for the Attorney General, to be used in an important case in which the State is plaintiff, is as below:

Ante bellum debt	$ 3,923,000.00
Contingent debt	6,033,633.33
Reconstruction debt	6,228,800.00
Post reconstruction debt	11,000,000.00
Grand total funded debt	$ 27,185,433.33

This sum according to the authority before us, is subject to important deductions. They leave the bonded debt as it would be if the constitutional laws had been complied with, and illegal issues made without consideration were ignored and disregarded. The matter is thus summed up:

Ante bellum debt as reported	$ 3,923,000.00	
Less deductions claimed in the foregoing	1,212,500.00	
		$ 2,711,500.00
Reconstruction debt	6,228,800.00	
Less deductions as claimed, say	1,900,750.00	
		4,328,050.00
Post reconstruction debt	11,000,000.00	
Less deductions and contested portions	7,570,000.00	
		3,430,000.00
		$ 10,468,550.00
Total bonded debt as reported		$ 27,185,433.33
Less deductions as above	$ 10,683,250.00	
Less contingent debt	6,033,633.33	
		16,716,883.33
Total absolute funded debt after all possible deductions		$ 10,468,550.00

As the suit in which this brief is filed enjoins the payment of many of these alleged items of indebtedness, it is likely that the whole State debt will be subjected to a rigorous scrutiny.

LOUISIANA.—A Washington despatch announces that Col. CHARLES CASE, receiver of the FIRST NATIONAL BANK OF NEW ORLEANS, reports to the Comptroller of the Currency that he has received intelligence from Messrs. JEVONS & RIPLEY, his solicitors in Liverpool, that the House of Lords has recently decided the last of a series of chancery cases in his favor, thus securing some $ 70,000 or more to the fund for the general creditors of the bank. When the bank failed, some six years since, sundry creditors who had bought its bills on the BANK OF LIVERPOOL sought to secure payment of their claims in full by instituting proceedings in chancery in ENGLAND, by which they tied up *pendente lite*, and hoped, finally, to appropriate, between two and three hundred thousand dollars then on deposit in the LIVERPOOL BANK, upon the theory that there had been a specific appropriation of funds to pay the several bills as they were negotiated. The receiver, on the other hand, contended that the facts did not warrant the theory of any specific appropriation, and that it was not within the powers of a National bank to make such an appropriation in a time bill as against the contingency of its own intervening insolvency. The decision of the Vice-Chancellor was adverse to him. He appealed, and some two years since the Lord Chancellor and three Justices of Appeal pronounced elaborate opinions reversing the Vice-Chancellor's decree, and decreeing the money to be paid to the receiver. All but two of the claimants acquiesced in this decree. These two, acting, as is understood, upon the advice of Hon. J. P. BENJAMIN, formerly a United States Senator, now a practising barrister and Queen's counsel in London, took an appeal to the House of Lords, thus tying up

£15,000 of the fund two years longer. This appeal, after the most elaborate arguments on behalf of the appellants, has just been dismissed with costs, and the receiver, after six years' fighting from the lowest to the highest chancery tribunal in ENGLAND, is finally completely successful.

MARYLAND.—WANT OF PROTEST FATAL.—The Baltimore *Gazette* of June 25th reports the following case:

Yesterday, in the United States Circuit Court, Judge BOND, in the case of the NATIONAL PLANTERS AND FARMER'S BANK against R. M. SMITH, late Collector of the Third Collection District of MARYLAND, being an action brought to recover $5,800 paid by the bank as taxes on the premium of gold held by the bank in 1862, the Court rejected the plaintiff's prayer, and in granting the defendant's prayer instructed the jury, substantially, that there was no evidence that the taxes had been paid under protest, or under compulsion of law, and that no notice was given to the Collector at the time the taxes were paid that the officers of the bank intended bringing suit for the recovery of the money paid as taxes. The question of the legality of the taxes was not decided by the Court. Agreeably to the instructions of the Court, the jury then returned a formal verdict in favor of the defendant.

MARYLAND.—Messrs. WM. FISHER & SONS, an old established house, offer their services to correspondents as bankers and brokers, especially in the negotiation of loans and of new railroad bonds. Their card will be found on the cover of this work.

MASSACHUSETTS.—A decision of the first importance, particularly to bankers, has just been delivered by Judge SHEPLEY in the United States Circuit Court, in the cases of STEPHEN MORSE, Jr., *et al.*, against the MASSACHUSETTS NATIONAL BANK, and FRANK S. FISKE against the same. The question raised in the cases was, whether, when a check is drawn upon a bank by a drawer who has no funds in the bank to meet the check, the bank is liable upon its verbal promise to pay, if the holder would deposit it in another bank and have it go through the Clearing House in the usual manner. Judge SHEPLEY ruled that such a promise does not amount to an acceptance. The checks were not, he says, taken upon the faith of such a promise. The holder gave nothing, and relinquished no advantage for the promise. The promise was therefore held to be one without consideration, and therefore *nundum pactum*. In these cases the claim of the MASSACHUSETTS BANK, that it is not in the power of any cashier or other officer of a National bank, to make a valid promise to pay a check not drawn against funds deposited in the bank, simply in consideration that the holder of the check will present it through some other bank, and have it pass through the Clearing House, was fully sustained by the Court. The very able, clearly drawn and conservative opinion of Judge SHEPLEY is receiving wide commendations; and those of our readers who are familiar with the points raised in the famous suits between the MERCHANTS' and the STATE banks of this city, will perceive that this decision has an important bearing upon those points.

It has been a very common practice among the banks, when presenting notes and checks to each other for payment, to readily accept the hasty suggestion of the tellers or other officers to charge in through the next morning's clearing. When currency has been scarce, or when time has pressed, the suggestion in question has been considered the most natural thing in the world, and has been very generally acceptable. Under Judge SHEPLEY'S decision, this method of doing business can no longer be practiced with safety.

—*Boston Commercial Bulletin.*

Railroad Bonds.—Three years ago private bankers in Boston were urging investors to take hold of the Ware River Railroad bonds at 90, and many were placed at this figure. By the late sale of the Ware River Railroad to the Boston and Albany Railroad Co. for $375,000, all the property and franchise of the road are disposed of. As the outstanding bonds amount to $750,000, their holders cannot get fifty cents on the dollar on them.

BOSTON.—FRANCIS B. SEARS has been appointed cashier of the THIRD NATIONAL BANK, in Boston, in place of JONAS BENNETT, resigned. Mr. BENNETT has faithfully filled the office of cashier since the organization of the bank in 1864.

MR. BENNETT was at one time the cashier of the FANEUIL HALL NATIONAL BANK, and it may be said, without any exaggeration, that he is about as well posted in the duties pertaining to cashiership as any man in Boston. We trust he will find, now that he has taken off his official harness, that rest for mind and body which his long and active service renders needful.

The final settlement of the STATE NATIONAL with the SECOND NATIONAL BANK, of Boston, was made by a payment by the STATE to the SECOND of $ 106,250. The suit thus compromised has been running along since 1867, and has been through the usual line of courts. By this compromise the STATE NATIONAL comes out of all the MELLEN, WARD & CO. and C. H. SMITH complications, with its two million capital intact. At the time of the great explosion it passed its April (1868) dividend, but with this exception it has continued through all its days of tribulation to pay regular dividends. It is our impression that the STATE NATIONAL has in all paid six or seven hundred thousand dollars on account of these now famous irregularities.—*Commercial Bulletin.*

A MISSING BANK MESSENGER TURNS UP.—ALLEN, the REVERE NATIONAL BANK messenger, who disappeared several weeks ago, has returned and paid back the funds which disappeared with him.

Boston.—We understand that the question of extending banking hours in this city to three o'clock in the afternoon instead of two has been again brought before our national bank managers by some of our merchants and business men. At a meeting held yesterday the subject came up, when a resolution to extend the time one hour was indefinitely postponed by a unanimous vote. The impression seemed to prevail that there was at present no occasion to follow the practice of New York in keeping the banks open until three, as our business hours began earlier than theirs, while the character of our trade and commercial business was so different as not to require any such extension as was asked for. The action taken, we understand, is not binding upon any banks which may choose to keep open, but was simply an expression of a feeling on the part of those represented that there was no occasion for a general extension of the banking hours. A few of the banks, we believe, have kept open until three for some time past to accommodate the peculiar requirements of their customers.

—*Com. Bulletin.*

MICHIGAN.—THE MINERS' BANK, D. G. STONE proprietor, has been established at Negaunee, Marquette County, for the transaction of a general banking business.

NEW HAMPSHIRE.—By the annual report of the Bank Commissioners of the State of NEW HAMPSHIRE, the savings banks of the State, on 1st January last, were sixty-one in number, with deposits amounting to $ 28,462,539, and depositors 94,967 in number. The growth for three years past has been rapid, viz.:

Date.	*No.*	*Deposits.*	*Increase.*
January, 1870	—	$ 18,759,461	——
January, 1871	54	24,700,744	$ 5,941,283
January, 1873	61	28,462,540	3,761,796

Seven new savings banks commenced business in the year 1872, viz.:

Place.	*County.*	*Name.*	*Deposits.*
Ashland	Grafton	Ashland Savings Bank	$ 12,191
Dover	Strafford	Cochecho Savings Bank	17,592
Fitzwilliam	Cheshire	Fitzwilliam Savings Bank	5,570
Gorham	Coos	Gorham Five Cents Savings Bank.	5,467
Concord	Merrimack	Loan aud Trust Savings Bank	141,391
Sandwich	Carroll	Sandwich Savings Bank	26,286
Wolfsboro	Carroll	Wolfsboro Savings Bank	28,860

Three additional savings banks were incorporated this year, viz.:

Epping	Rockingham	Epping Savings Bank.
Squamscot	——	Squamscot Savings Bank.
——	——	People's Savings Bank.

NEW YORK.—The HOME NATIONAL BANK OF ELLENVILLE, Ulster County, (No. 2117), was organized in July, with a capital of $ 75,000, limited to $ 150,000. President, JOHN MCELHONE; Vice-President, GEORGE H. SMITH; Cashier, PETER LEFEVRE. This bank succeeds to the business of JOHN MCELHONE, banker, Ellenville, and of LEFEVRE & DEGARMO, Walden. Their New York correspondent is the IMPORTERS & TRADERS' NATIONAL BANK.

Havana.—The BANK OF HAVANA, organized under the laws of the State of New York, succeeds the FIRST NATIONAL BANK OF HAVANA. Their capital is $100,000. Their stockholders and officers remain the same, the President being E. W. COOK; Vice-President, ELBERT P. COOK; and Cashier, GEORGE W. CARPENTER.

Brooklyn.—On the morning of July 19 the Brooklyn Trust Company closed its doors and suspended payment. This action was taken in order to give time to the officers of the institution thoroughly to investigate its affairs. Since the sudden death of its late president, Mr. E. S. MILLS, a partial examination of its affairs has shown, it is alleged, that Mr. MILLS had largely overdrawn his accounts, and that some $ 300,000 had been loaned on collaterals which cannot be sold now for the amount of the loans. The deficit is stated at $ 800,000, which is $ 200,000 in excess of the bank's capital of $ 500,000 and its surplus of $100,000. D. CHAUNCEY, the acting President, was on Saturday appointed Receiver.

NORTH CAROLINA.—At a meeting of NORTH CAROLINA special tax bondholders held recently at New York, REVERDY JOHNSON gave his opinion that the bonds are binding upon the State, and that the holders can enforce the collection of the interest through the United States Courts. A resolution was adopted that the bondholders present subscribe a *pro rata* share of the expenses, and that bondholders not present be requested to send in their assessments and subscriptions. The suits will be begun at as early a date as possible.

A CLUE TO A WESTERN ROBBERY.—The banking house of B. H. KETCHUM of Toledo, OHIO, was broken into by thieves on the night of April 5, and the safe robbed of its contents. Among other papers stolen were twenty $ 1,000 bonds of the city of Toledo, and eight $ 100 bonds of Lucas County, OHIO. After several weeks search the detectives traced the stolen bonds to New York, but here were again baffled in their attempts to recover them. The clue was again obtained, and, acting upon definite information, Detectives SAMPSON and IRVING recently arrested one WILLIAM LAMBERT on a charge of having attempted to negotiate the sale of some of the stolen bonds. On searching him the officers found in his coat pocket one of the $ 1,000 bonds. The detectives believe that LAMBERT used this bond as a sample of the others in his offers to sell the stolen property. They are also confident that they will be able to recover all the bonds.

PENNSYLVANIA.—It is stated that, by authority of the recent act of the Pennsylvania Legislature, the Pennsylvania Central Corporation will soon create a general mortgage on their whole estate and its dependencies, of *one hundred millions of dollars*, to cover all existing obligations of the company, and such additional sums as may be borrowed for the further extension and improvement of the various properties in the ownership of or under perpetual lease to this great corporation. The capital stock of the company has recently been increased, by authority of the same act of the Legislature, from $ 54,000,000 to $ 72,000,000; and of this increase of $ 18,000,000, about $ 13,000,000 has already been paid in, although only $ 9,000,000 was called for in May, and a like sum in November.

Philadelphia.—Mr. CLARENCE H. CLARK, whose return from EUROPE was recently chronicled, has tendered his resignation as President of the FIRST NATIONAL BANK of this city, a position which he has filled for the past ten years with much ability and advantage to the interests committed to his charge. Appropriate resolutions have been passed by the Board of Directors expressing a just appreciation of his worth and their regret at the severance of a long association. Mr. CLARK'S resignation took place on the 1st of July, when Mr. GEORGE PHILLER, the present vice-president, succeeded him in office. Mr. CLARK, on being relieved from the duties of the presidency of the bank, resumes his old position

in the well-known banking house of E. W. CLARK & Co., and will at the same time retain his place in the several other important institutions with which he is prominently connected.—*Ledger.*

Issuing Checks as Currency.—At the convening of the United States District Court, in July, Judge NIXON called the attention of the Grand Jury to what he termed "the violation of law by certain manufacturing companies who issue checks or tickets of denominations below one dollar, and circulate them as currency." During July quite a large number of manufacturers from South Jersey passed through Camden on their way to Trenton to answer processes served upon them relative thereto. As many establishments are represented to have practiced the evil alluded to by the judge, the subject is creating considerable interest, and will probably lead to a thorough investigation.

THE READING RAILROAD TAX.—Representatives of the Reading Railroad were before Commissioner DOUGLASS recently and asked to be relieved from the 5 per cent. penalty and 1 per cent. a month interest on the tax, which the Supreme Court has decided is due on dividends declared during the first seven months of 1870. The company declined to pay it then, and now that the Court has decided they must pay, they ask to be relieved from the penalty for non-payment. The Commissioner informed them he had no power to remit, the court having settled the matter. The amount of penalty due from the Reading and one or two other smaller roads in a similar condition, amounts to $ 50,000.

BANK TAXATION IN PENNSYLVANIA.—One of the praiseworthy pieces of legislation left us by the late Assembly at Harrisburg is the act removing the taxes imposed on corporations, which were so heavy as to make it necessary for them to earn nearly 10 per cent. after paying all other expenses, before any dividends could be earned for the stockholders. Before the passage of this law the tax on all bankers and banks, other than National, was 3 per cent. of their net earnings. The repeal of the tax on corporations relieves the incorporated banks from this tax, while it continues the old law in force as to private bankers. The banks chartered by the State pay no tax, for State purposes, on their earnings, while private companies in the same business, must pay the State 3 per cent. of net earnings, in addition to other State and municipal taxes. The law as it stands is unjust, discriminating as it does between corporate and private interests.—*Pittsburg Commercial.*

A DELICATE PIECE OF WORK.—The Treasury experts have finished the work of restoring the securities of the LAMBERTON SAVINGS BANK, of Franklin, PENN., which were thrown into the fire by the insane cashier. Of the $ 140,000 in government bonds all were identified; of the $ 60,000 in railroad and municipal bonds all were restored; of the $ 150,000 in notes and bills receivable, all were restored or made good by the parties interested. The only loss of the bank has been two or three thousand dollars in currency. When removed at the Treasury the whole mass appeared to be ashes and charred remnants of paper. The experts were Mrs. DAVIS, Miss PATTERSON and Miss SCHRIMER. The time occupied was about five weeks of clear days, the work being of such a delicate nature that it could not be prosecuted in cloudy weather.

SOUTH CAROLINA.—INJUNCTION AGAINST PAYING STATE BONDS.—In Columbia, July 9, Judge CARPENTER, on motion of counsel representing the tax-payers of the State, granted a temporary injunction restraining any and all fiscal officers of the State from levying or collecting any tax for the purpose of paying the interest upon the State bonds, known as Conversion Bonds, amounting to over seven million dollars.

TENNESSEE.—The FIRST NATIONAL BANK OF FAYETTEVILLE, Lincoln Co., (No. 2114), was organized in June, with a capital of $ 42,000, limited to $ 60,000. President, GEORGE W. JONES; Cashier, ROBERT S. WOODARD.

STATE FINANCES.—There are eight matured coupons due on the Tennessee State bonds, and yet they are selling at 78@79. A correspondent of the Philadelphia *Ledger,* writing thence in favor of the credit of the State, says: "The assessment of taxes now being laid will increase very largely the revenue, and no doubt is entertained of the ability of the State to pay its interest hereafter. The debt has been reduced to about $ 21,000,000, and the funding law is

approved by a very large majority of the people, the Governor and Comptroller being among its most strenuous advocates."

TEXAS.—The following Railroads centre at Houston:

Houston and Texas Central	Miles	completed,	502
Houston and Great Northern, and International	"	"	330
Houston Tap and Brazoria	"	"	50
Galveston, Houston and Henderson	"	"	50
New Orleans and Texas	"	"	106
Buffalo Bayou, Brazos and Colorado	"	"	80
Total miles completed, (March, 1873),			1.118

It is expected that there will be completed of these roads, their branches and connections, in Texas, 1,000 additional miles by the 1st of January, 1874. They traverse rich portions of Texas. Their extensions and connections will bring to Houston a flow of trade and travel which will add vastly to its wealth and prosperity. They will connect with the Texas and Pacific, bringing to tide-water at Houston the trade of the Pacific coast, and affording for heavy Eastern freights, destined for that coast, the most economical, and at the same time as quick a route, as by all rail direct. The city of Houston is situated on Buffalo Bayou, at the head of tide-water, 65 miles from the Gulf of Mexico. It is the great railroad centre of Texas, and from its position on the navigable waters of Buffalo Bayou also controls the bulk of freights tributary to the Gulf of Mexico. Population, 20,000; taxable wealth of Harris County, 1872, $ 14,322,064; taxable wealth of Houston precinct, $ 11,882,504; taxable wealth of the city for 1873, estimated, $ 10,000,000.

Dallas.—The DALLAS COUNTY BANK has been organized at Dallas, with a capital of $ 100,000. President, JOHN KERR; Cashier, E. H. GRUBER. Their New York correspondents are Messrs. DONNELL, LAWSON & Co. The officers are both efficient business men and experienced bankers. Dallas is an important railroad point and business centre.

THE FIRST NATIONAL BANK OF AUSTIN, Travis County, (No. 2118), was organized in July, with a capital of $ 50,000, limited to $ 100,000. President, H. M. HOLDEN; Cashier, M. W. ST. CLAIR.

BANKRUPT ACT.—The National Bankrupt Act, passed in March, 1867, was in March last amended so that such act shall not apply to certain corporations against which proceedings have been instituted in State courts for winding up their affairs.

MINERAL LANDS OF THE UNITED STATES.—By an Act of Congress, passed February 18, 1873, the mineral lands of the UNITED STATES, located within the States of MICHIGAN, WISCONSIN and MINNESOTA are declared to be now free and open to exploration and purchase; and any *bona fide* entries of such lands within these States may be patented without reference to the provisions of the Act of 10th May, 1872.

DEPOSITS IN NATIONAL BANKS.—By Act of Congress dated March 3, 1873, postmasters are authorized to make deposits of public moneys in National banks, in places where there is no public depository or assistant treasurer; but no interest shall be payable on such deposits.

THE MINT.—Appropriations were made by Act of Congress of March 3, 1873, for machinery for the branch mint at San Francisco, $ 250,000.

CANADA.—An Act relating to interest and usury in the Province of NOVA SCOTIA, was passed at the last session of the Dominion Parliament. It provides that in contracts bearing interest, where no rate is agreed upon, six per cent. shall be recoverable. For a loan of money on real estate, any person may agree in writing to pay seven per cent., but no higher rate; for a loan of money on personal property ten per cent. is the highest rate that may be stipulated for or received. There is no penalty for usury, the excess of interest charged is merely deducted from the amount claimed.

CANADA.—THE FEDERAL BANK OF CANADA. Books for the subscription of stock are now and will be open until further notice, at the offices of BLAIKIE

& ALEXANDER, and CLARK & FIELDE, Toronto; of STRATHY & STRATHY, stock brokers, Montreal; and KIRKPATRICK & ROGERS, Kingston.

Quebec.—MR. J. G. LEITCH, late of the BANK OF MONTREAL, has been appointed Assistant Cashier of the UNION BANK OF LOWER CANADA, Quebec.

Stock Exchange.—At the annual meeting of the Toronto Stock Exchange, officers were elected for the current year as follows:—President, Mr. JAMES BROWNE; Secretary-Treasurer, Mr. WM. HOPE; Committee, Messrs. H. PELLATT, H. R. FORBES, and L. BUCHAN.

DARING ATTEMPT AT ROBBERY.—Two men entered the office of FORBES & LOWNSBROUGH, bankers and brokers in Toronto, on June 17th. LOWNSBROUGH, who was alone in the office, turned to his desk, to make an entry, when he was struck over the head with a loaded cane and a dangerous wound inflicted. The men tried to rob the office, but LOWNSBROUGH shouting "murder" the villains retreated without securing any plunder.

GUARANTEE COMPANY.—The CANADA GUARANTEE COMPANY, Montreal, issues bonds of indemnity or guarantee for the faithfulness of bank officers on the following terms:

For general manager or cashier, $ 80,000; for accountants, $ 8,000: for tellers, $5,000; for bookkeepers, $ 4,000; for junior clerks, $2,000. The premium payable is one per cent. on the amount of the policy or guaranty. This company is devoted solely to the issue of bonds of security for persons in positions of trust. The company has been approved by the Dominion Government and its bonds are accepted as security in behalf of public officers. It is the only company licensed by the Canadian Government to transact a guarantee business throughout the Dominion. Office No. 235 St. James St., Montreal.

NEW BANK IN CANADA.—Application will be made to the Parliament of CANADA, at its next Session, for an act to incorporate a bank under the name of "THE LONDON AND CANADA BANK," with a capital of One Million of Pounds, or, Four Millions of Dollars, and with the head office thereof in the City of Toronto.

Liverpool.—A meeting of shareholders in the BANK OF LIVERPOOL, NOVA SCOTIA, is called to receive a statement of the affairs of the bank and to consider the most feasible plan of relieving the institution from its present difficulties.

BANK OF BRITISH NORTH AMERICA.—The thirty-seventh yearly general meeting of the shareholders in this bank, was held in London, ENGLAND, on Tuesday, June 3d, Mr. A. H. PHILLPOTTS in the chair.

The report of the directors stated that they were enabled to confirm their circular letter to the proprietors, of 21st March last, and to declare a dividend at the rate of 10 per cent. per annum, free of income tax, besides increasing the "rest" or undivided net profit from £ 164,830 to £ 202,213.

The chairman in moving the adoption of the report, said it justified the directors in declaring a dividend at the rate of 10 per cent. At the same time they had been enabled to increase their reserve fund. During the past year they had raised the reserve fund to about £ 2,000 in excess of the proportion required by the Canadian law, and this was calculated to have a beneficial effect on all who were doing business with the bank. The ability of the directors to make this large addition to the reserve and to declare this dividend, was the result of the general prosperity of the Dominion, and that prosperity has not been checked to a serious extent by the fact that the rate of interest which prevailed during the greater part of the year in CANADA ranged from 10 to 12 per cent.

A Proprietor asked if it was intended to go on increasing the reserve?

The Chairman said that was a matter which the shareholders would leave in the hands of the directors. It would be their desire to act in that direction; but, as the reserve was now more than £ 200,000, they should not think of acting in the same decisive manner as they had done.

The Proprietor.—Do you consider the present profits exceptionally large?

The Chairman.—It is a higher rate of interest than usual; but we must consider that in all banks the real source of profit is the absence of loss.

The motion was then agreed to.

LONDON—Two new banks are in process of organization in London: first, THE CHEQUE BANK, capital £200,000, at Clements house, Clements Lane. The prospectus says "All cheques must be drawn on the forms provided by the bank. They are crossed and payable to order, and, therefore, as they require endorsement by the person in whose favor they are drawn, they necessitate his giving by such endorsement, proof of payment to him. No customer can possibly overdraw his account. But no blank cheque-form will be supplied until the full sum for which it can be filled up has been paid to the credit of the CHEQUE BANK, with any one of the banks with which it is in relation, or deposited with the CHEQUE BANK, at any of its own offices. It is impossible, therefore, that cheques of the CHEQUE BANK against over-drawn accounts should be in circulation. The CHEQUE BANK will pay no interest on deposits, discounts no bills, and enters into no financial transactions, but all moneys paid in will be placed in the hands of the leading banking houses in relation with the CHEQUE BANK (limited). The names of such bankers will be published from time to time.

Second, The ANGLO-CALIFORNIAN BANK, capital £1,200,000, at No. 3 Angel Court, Throgmorton Street, London. Mr. HUGH MCCULLOCH (of the firm of J. COOKE, MCCULLOCH & Co.) is one of the directors. Messrs. I. STEINHART and D. J. SELIGMAN are the San Francisco agents. The prospectus says: "The ANGLO-CALIFORNIAN BANK (limited) is established for the purpose of conducting general banking and commercial business between ENGLAND and San Francisco, and also between San Francisco and other parts of the UNITED STATES OF AMERICA, SOUTH AMERICA, INDIA, CHINA, JAPAN, and other countries. It is well known that San Francisco is the entrepot on the Pacific coast for trade and commerce between EUROPE, AMERICA, and ASIA. In this city there are constant and increasing facilities for the employment of capital of banking and bullion business. Money can there be placed at rates from ten to fifteen per cent., with good collateral security. The vast amount of gold and silver annually produced in the surrounding districts requires large capital for its purchase and transmission to EUROPE and ASIA, thus affording an extensive and profitable field for safe banking enterprise. The old established business of Messrs. J SELIGMAN & Co., in San Francisco, will be transferred to this bank. The business of the company will include, in addition to ordinary banking business, bullion and exchange operations, the negotiation of State, municipal, or other loans, and generally the conduct of all banking, financial and agency business. It is proposed to associate with the bank prominent China and South American houses in London, which will enable it to enter at once into a very important branch of the bullion and produce business of San Francisco, *i. e.*, remitting gold and silver for London account to CHINA, JAPAN, and SOUTH AMERICA, and receiving and sending cargoes."

The BANK OF ENGLAND, in its efforts to bring to punishment the persons engaged in the recent forgeries, has been quite successful, but this success has been secured only at very heavy cost. The expenses of the bank, it is said, will be at least $100,000, and an especial difficulty in the matter has been the fact that the forgers having large means at their command, have been in a position to resist the prosecution at every step. Not a small part of the bank's expenses have been for cable messages. In a single day, recently, the telegrams across the ocean connected with the case cost $800.

PARIS.—The BANQUE DE PARIS ET DES PAYS BAS in April held its first annual meeting since its foundation by the union of the two establishments, the names of which are combined in the present title of the institution. The results of the year are a dividend of 12 per cent. on the paid-up capital, after putting by a reserve of 5,363,500 francs, and paying other charges from the profits. A considerable portion of the operations of this bank have been with the Spanish Government, and recent events in SPAIN could not fail to create apprehensions that those transactions might entail serious losses. The bank appears, however, to have acted with such prudence that, notwithstanding the extent of those operations, it had lost no time in terminating them, in order to be shielded from all eventualities. It took a large share in discounting the drafts for 250 millions of francs issued by the Spanish Government, and to reimburse which the loan of 250 millions was raised in December last.

Irregularities in Cheques.—The Committee of Bankers in Paris has issued a circular to all the trade, reprehending certain abuses in the use of cheques. This note, from its tone, appears to be a friendly warning, given by the Treasury, through the Committee, that the infractions of the law have not escaped the attention of the Government, and will in future expose the offenders to the rigor of the law. The chief abuse consists in making cheques perform the duties of bills of exchange, by post-dating them, or by issuing them undated and accompanied with a slip of paper fixing a date to be subsequently inserted. The circular mentions that cheques are sometimes presented for payment bearing endorsements of a date anterior to that of the pretended creation of the cheque, thus proving the post-dating of the cheque in an incontestible manner. The bankers whose names are appended to this note declare that in future they will refuse to pay any cheques not on a printed form or those bearing an adhesive stamp only; those not payable at sight, delivered with a request that they should not be presented immediately, or those irregularly dated.

Wool.—The wool trade of the United States has assumed vast proportions, and has become one of the important interests of the country. The annexed table shows the comparative product of the United States for three years, and the quantity imported for our own manufactures:

	Year 1870. *Pounds.*		*Year* 1871. *Pounds.*		*Year* 1872. *Pounds.*
American wool clip	163,000,000	..	146,000,000	..	160,000,000
Imported wools....	28,559,298	..	78,249,089	..	98,306,581
Total supply..	191,559,298	..	224,249,089	..	258,306,581

The stock of wool in the principal markets on the 1st January, 1873, and at the corresponding period last year were:

	New York. Pounds.		*Boston. Pounds.*		*Philadelphia. Pounds.*
Domestic.............	7,175,000	..	3,603,000	..	5,043,000
Foreign..............	7,811,500	..	9,210,300	..	2,610,000
Total, 1873........	14,986,500	..	12,813,200	..	7,653,000
Jan. 1, 1872.......	11,171,750	..	9,508,950	..	2,993,000

It will be seen that the stocks in the three principal markets on the 1st January last, aggregated, in round numbers, 12,000,000 pounds more than at the corresponding period a year ago. The statistics of the wool clip in the United States from 1867 to 1872, inclusive, and of the imports during that period, show that the enormous tariff duties have equally failed to stimulate home production or to check foreign importation. The following is a comparative statement:

	American wool clip. Pounds.		*Total Imports in U. S. Pounds.*			*American wool clip. Pounds.*		*Total Imports in U. S. Pounds.*
1867	160,000,000	..	30,875,309	....	1870	163,000,000	..	28,559,298
1868	177,000,000	..	23,106,752	....	1871	146,000,000	..	78,249,089
1869	172,250,000	..	42,710,812	....	1872	160,000,000	..	98,306,581

The distribution of the wool supply, according to recent compilations from the United States census of 1870, was as follows:

Consumed in—	*Domestic. Pounds.*		*Foreign. Pounds.*		*Shoddy. Pounds.*
Woolen goods.......	154,767,095	..	17,311,824	..	19,372,062
Hosiery goods.......	5,304,655	..	292,300	..	——
Worsted goods	13,317,319	..	3,836,982	..	——

Carpets, 25,139,999 pounds.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from July Number, page* 73.)

NEW YORK.

Bull's Head Bank (*reorganized*). Arthur T. Fitch, 11 Pine.
L. Christian Meyer, 43 Exchange Place.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Eureka, CAL.	Humboldt Co. Bank	....
Denver, COL.	Collins, Snider & Co.	Tradesmen's Nat. Bank.
Washington, D. C.	Otis Bigelow	Drexel, Morgan & Co.
Chicago, ILL.	Illinois Trust & Savings Bank	Drexel, Morgan & Co.
" "	Skow-Petersen, Isberg & Co.	Duncan, Sherman & Co.
Griggsville, "	Griggsville National Bank	....
Oakland, "	L. D. Carter & Co.	Winslow, Lanier & Co.
Lagrange, IND.	La Grange Bank	Henry Clews & Co.
Eureka, IOWA	Andrews & Griggs	Allen, Stephens & Co.
Marshalltown, "	Farmers' National Bank	Leonard, Sheldon & Foster
Nevada, "	J. A. Fitchpatrick	Austin Corbin.
Toledo, "	Toledo Savings Bank	Austin Corbin.
Grassh'per Falls, KAN.	Valley Bank & Savings Inst.	Donnell, Lawson & Co.
Carrollton, KY.	John Howe & Son	N. Sullivan & Co.
Russellville, "	Russellville B'k'g & Wareh. Co.	Ninth National Bank.
Colon, MICH.	E. Hill & Sons	Allen, Stephens & Co.
Negaunee, "	Miners' Bank	National Park Bank.
Duluth, MINN.	Bank of Duluth	Allen, Stephens & Co.
St. Louis, MO.	Angelrodt & Barth	Hallgarten & Co.
" "	Farmers & Traders' Sav. Inst.	....
Osceola, "	St. Clair Co. Bank	Jameson, Smith & Cotting
St. Joseph, "	St. Joseph Savings Bank	Donnell, Lawson & Co.
Washington "	Washington Savings Bank	....
Elizabeth City, N. C.	Guirkin & Co.	Union Bank'g Co., Phila.
Ellenville, N. Y.	Home National Bank	Imp. & Traders' Nat. B'k.
Theresa, "	G. E. Yost	Benedict, Flowers & Co.
Greenfield, OHIO	Highland Co. Bank	Third National Bank.
London, "	London Exchange Bank	National Park Bank.
Perrysburg, "	Perrysburg Sav. & Loan Asso.	Imp. & Traders' Nat. B'k.
Toledo, "	N. Western Savings Depository	....
Upper Sandusky, "	J. H. Anderson	Imp. & Traders' Nat. B'k.
Waverly, "	D. Armstrong & Co.	Jay Cooke & Co.
Philadelphia, PA.	Maitland, Audenried & Co.	F. B. Wallace & Co.
Harrisburg, "	State Bank	Jay Cooke & Co.
Allentown, "	The Empire Trust Co.	Bank of America, Phila.
Bellefonte, "	Centre Co. Banking Co.	Lloyd, Hamilton & Co.
Bloomsburg, "	Bloomsburg Banking Co.	Ninth National Bank.
Boyerstown, "	Mory, Boyer & Co.	....
Chambersburg, "	James G. Elder	Jay ooke & Co., Phila.
Halifax, "	Halifax Bank	Union Bank'g Co., Phila.
Lebanon, "	North Lebanon Savings Bank	Union Bank'g Co., Phila.
Mt. Carmel, "	Mount Carmel Savings Bank	Geo. Opdyke & Co.

Place and State.		*Name of Bank.*	*N. Y. Correspondent.*
Pittsburg,	PA.	Western Savings Bank	Winslow, Lanier & Co.
do	"	Metropolitan Bank	Third National Bank.
Pottsville,	"	Mountain City Banking Co.	Drexel. Morgan & Co.
Quakertown,	"	Quakertown Savings Bank	....
Salisbury,	"	Kinn & Livengood	Henry Clews & Co.
Selin's Grove,	"	Snyder Co. Bank	Ninth National Bank.
Titusville,	"	Geo. K. Anderson	Chemical National Bank.
Williamsport,	"	Beard, Page & Co.	Imp. & Traders' Nat. B'k.
"	"	Lycoming County Savings Bank	Merchant's Ex. Nat. B'k.
Wood Run,	"	Wood Run Sav. Fund & Loan As.	Union Bank'g Co. of Phil.
Fayetteville,	TENN.	First National Bank	....
Memphis,	"	Mechanics & Traders' Bank	Security Bank.
Austin,	TEXAS.	First National Bank	....
Belleville,	"	Hunt, Holland & Miller	Swenson, Perkins & Co.
Corpus Christi,	"	Doddridge, Lott & Co.	Baltzer & Taaks.
Hearn's Station,	"	Lewis & Lewis	Spafford Bros. & Co.
Weatherford,	"	Pollard, Ball & Roach	Duncan, Sherman & Co.
Dallas,	"	City Bank of Dallas	National Park Bank.
"	"	Dallas County Bank	Donnell, Lawson Co.
Lynchburg,	VA.	Va. Sav'gs Bank of Lynchburg	Union National Bank.
Richmond,	"	City Savings Bank	....
Cedarburg,	WIS.	Bank of Cedarburg	Mechanics' Nat. Bank.
De Pere,	"	Bank of De Pere	Duncan, Sherman & Co.
Milwaukie,	"	Cramer & Co.	Duncan, Sherman & Co.
Menomonie,	"	S. B. French	Jay Cooke & Co.
Sauk City,	"	J. S. Tripp	Bank of North America.

LATEST PATTERN OF FIVE DOLLAR NOTES.

The lettering of the new $ 5 national bank note, is as follows: "The National Bank in the City of —— will pay five dollars on demand. ——, Cashier. ——, President." And beneath this the words, "Secured by United States Bonds deposited with the Treasurer of the United States. F. E. SPINNER, Treasurer of the United States. JNO. ALLISON, Register of the Treasury." On the new note the signatures of the bank officers appear in the centre, instead of at the bottom, as in the old one, and the names of the Treasury officials are at the bottom, that of General SPINNER being at the right instead of the left. At the top of the new note, on the right-hand side, above the lathe-work, the names of the city and State wherein the bank is located will appear. Much of the lettering on the face of the old note is omitted from the face of the new one, and put on the back instead. Two large V's complete the face, one at either end of the cycloidal work. The back of the note is neatly designed and bordered by an elaborate scroll-work, with the word "FIVE" in each corner. In the centre is a classical figure representing AMERICA, and beneath this the words, "This note is receivable," etc. Another feature of the new note will be the numbering panel on the face beneath the signature of KING. The back ground of this panel is so arranged in fugitive colors that any attempt to alter the number will mutilate the whole. The bank number will appear upon this plate, and the Government number upon the back of the note in blue figures.

CHANGES OF PRESIDENT AND CASHIER.

JULY, 1873.

(Monthly List; continued from July No., page 74.)

Banks are requested to furnish prompt notice of any changes.

Name of Bank.	*Elected.*	*In place of*
Continental Bank, N. Y. CITY	N. A. Cowdrey, *Pres.*	T. J. S. Flint.
B'k of California, S. Fran, CAL.	W. C. Ralston, *Pres.*	D. O. Mills.
Thompson N. B., Thompson, CT.	H. Arnold, *Cash.*	A. E. Parker.
New London City Nat. B'k, "	R. N. Belden, *Pres.*	A. N. Ramsdell.
" " " " "	E. R. Belden, *Cash.*	R. N. Belden.
First Nat. B., Marseilles, ILL.	Alex. Bruce, *Pres.*	J. W. Dow.
First N. B., Connersville, IND.	P. H. Roots, *Pres.*	B. F. Claypool.
" " " "	Charles Mount, *Cash.*	E. F. Claypool.
First N. B., Huntington, "	Jos. W. Purviance, *Pres.*	Samuel H. Purviance.*
B'k of America, Louisville, KY.	J. D. Allen, *Pres.*	N. Gwynn.
First Nat. B., Baltimore, MD.	J. S. Norris, *Pres.*	C. O'Donnell.
Continental N. B., Boston, MASS.	C. F. Smith, *Pres.*	James Swan.
Falmouth N. B., Falmouth, "	George E. Clarke, *Cash.*	S. P. Bourne.
Commerc'l N. B., Kansas C., MO.	Meade Woodson, *Cash.*	W. S. Ide.
Cocheco Nat. B'k, Dover, N. H.	C. W. Thurston, *Pres.*	T. E. Sawyer.
Rock'gham N. B. Portsm'th, "	John J. Pickering, *Pres.*	Jona. M. Tredick.
First Nat. B., Amsterdam, N. Y.	D. Cady, *Cash.*	C. DeWolfe.
Cayuga Co. N. B., Auburn, "	A. L. Palmer, *Acting Cash.*	J. N. Starin.
Nat. City Bank, Brooklyn, "	A. A. Rowe, *Cash.*	H. J. Foster.
Lafayette Bank, Cincinnati, O.	Henry Peachey, *Pres.*	Jos. C. Butler.*
" " " "	Wm. J. Dunlap, *Cash.*	H. Peachey.
First National Bank, Phila, PA.	George Philler, *Pres.*	C. H. Clark.
Lykens Valley B., Millersb'g, "	F. H. Voss. *Cash.*	Charles Gleim.
N. B. Chester Co., Westch'r, "	Walter Hibbard, *Pres.*	John Marshall.*
First Nat. Bank, Tremont, "	T. F. Batdorff, *Cash.*	G. W. Garrett.
National Bank of Barre, VT.	W. G. Austin, *Cash.*	....

* Deceased.

CHANGES OF TITLE.

National Bank of Springfield, Mo.	*Now*	First National Bank.
National Savings Bank of Joplin, Mo.	"	Joplin Savings Bank.
State National Bank, Philadelphia, PA.	"	State Bank.

NEW YORK BANK DIVIDENDS.

PAYABLE JULY, 1873.

Capital and profits of each.

Those of the State banks are for March, 1873.

Name.	*Capital.*	*Dividends. Jan.*	*Dividends. July.*	*Profits. Surplus.*
National Bank of Commerce	$10,000,000	4	4	$3,413,400
Fourth National Bank	5,000,000	4	5	1,378,800
Metropolitan National Bank	4,000,000	5	5	2,127,200
Central National Bank	3,000,000	4	4	231,600
Merchants' National Bank	3,000,000	4	4	968,300
Bank of New York N. B. A.	3,000,000	5	5	1,106,300
Bank of America	3,000,000	5	5	2,005,100
National Park Bank	2,000,000	6	6	1,411,500
Mechanics' National Bank	2,000,000	5	5	984,100
Continental National Bank	2,000,000	3½	–	149,100
Phenix National Bank	1,800,000	3½	3½	291,300
Ninth National Bank	1,500,000	4	4	240,800
Importers & Traders' National Bank	1,500,000	7	7	1,363,200
Merchants' Exchange National Bank	1,235,000	3	3	120,900
Market National Bank	1,000,000	5	5	485,600
Hanover National Bank	1,000,000	3½	4	210,200
National Broadway Bank	1,000,000	12	12	1,943,400
National Shoe & Leather Bank	1,000,000	6	6	711,400
Tradesmen's National Bank	1,000,000	6	6	550,600
Third National Bank	1,000,000	4	* 4	318,800
Tenth National Bank	1,000,000	None.	None.	113,400
Bank of North America	1,000,000	4	4	158,500
Dry Goods Bank	1,000,000	3½	3½	25,600
National Butchers & Drovers' Bank	800,000	5	5	307,400
National Bank Commonwealth	750,000	4	3½	141,000
Leather Manufacturers' National Bank	600,000	6	6	689,100
First National Bank	500,000	10	† 5	473,800
Irving National Bank	500,000	4	4	155,300
Seventh Ward National Bank	500,000	3	3	58,000
New York National Exchange Bank	500,000	3	3	29,000
Manufacturers & Merchants' Nat. Bank	500,000	4	None.	239,900
Security Bank	500,000	None.	None.	——
Chatham National Bank	450,000	6	6	239,900
People's Bank	412,500	5	5	220,000
National Citizens' Bank	400,000	5	5	267,000
Marine National Bank	400,000	6	6	341,000
North River Bank	400,000	3½	3½	30,400
East River National Bank	350,000	4	4	176,400
Second National Bank	300,000	5	5	295,900
Chemical National Bank	300,000	10	† 15	2,941,200
Oriental Bank	300,000	6	6	323,900
Grocers' Bank	300,000	5	5	93,100
Bowery National Bank	250,000	None.	None.	237,900
Sixth National Bank	200,000	5	5	68,300
New York County National Bank	200,000	7	7	312,700
Bull's Head Bank	200,000	4	–	——
West Side Bank	200,000	4	4	31,700
Eleventh Ward Bank	200,000	3½	3½	13,400
Fifth National Bank	150,000	† 3½	† 3½	100,100
Mutual Bank	100,000	–	–	*Closing.*
Manufacturers & Builders' Bank	100,000	5	5	23,900

* In gold. Banks in italic are under State charter. † Quarterly dividend.

FINANCIAL CHRONOLOGY.

[*Continued from May No., page* 911.]

April, 1873.

22 Death of Frank Baker, member of N. Y. Stock Exchange.
23 Bull's Head Bank resumed business (suspended March 20.)
24 Arrest of Harrison Grambo, banker, Philadelphia, for embezzlement.
24 Sale of $ 1,500,000, gold, by the Treasury, at 17.19 to 17.71½ premium.
24 Death of George T. Olyphant, president of the Del. & Hudson Canal Co.
26 Suspension of the Atlantic National Bank, N. Y., capital $ 300,000.
26 Suspension of Memphis Life and General Insurance Co., Memphis.
29 The lowest price of gold this day, for April, 16⅜ premium.

May.

1 Sale of $ 1,000,000, gold, by the Treasury at 17.14 to 17.20 premium.
1 Suspension of O. D. Swan & Co., brokers, New York.
1 Opening of the International Exposition, Vienna.
2 Flight of F. A. Ducros, broker at New Orleans.
4 Fraud on West St. Louis Savings Bank, $ 8,000.
7 Rate of discount advanced by Bank of England from 4 to 4½ per cent.
7 Purchase of Government bonds by the Treasury, $ 500,000, at 115.49 to 115.92.
8 Bids accepted for New York City seven-per-cent. loan, $ 290,500 at 103.01 to 103.25.
12 Panic in Money Market of Vienna, Berlin, &c.
12 Annual election of N. Y. Stock board.
13 Fraud of S. A. Coe, Boston, stock broker, discovered.
14 Defeat of the Usury reform bill at Albany, by vote of 74 to 45.
15 Sale of $ 1,900,000, gold, by the Treasury, at 17.63 to 17.71½ prem.
15 Bids for $ 500,000, seven-per-cent. bonds, city of Brooklyn.
15 Rate of discount raised to 5 per cent. by Bank of England.
16 Opening of the Erie Canal, Albany to Buffalo.
17 Bank of England rate of discount raised from 5 to 6 per cent.
21 Suspension of T. K. Ferguson & Co., Selma, Alabama.
21 Purchase of $ 500,000 Government bonds to the Treasury, 115.86 to 115.99.
21 Sale of $ 500,000, gold, by the Treasury, at 117.71 to 117.75.
24 Election of McMahon as president of France.
26 Numerous suspensions among the lumber trade of New York, (Albany.)
29 Sale of $ 1,000,000, gold, by the Treasury, at 18.40⅛ to 18.41.
30 Decoration day; public holiday by new law State of New York.
30 Great fire in Boston.

June.

4 Purchase of $ 500,000 5-20 bonds, by the Treasury, at 116.20 to 116.44 and interest.
5 Bank of England rate advanced from 6 to 7 per cent.
5 Sale of $ 2,000,000, gold, by the Treasury, at 117.83 to 118.01.
12 Sale of $ 1,500,000, gold, by the Treasury, at 116.78 to 116.89.
12 Bank of England reduced rate of interest from 7 to 6 per cent.
19 Sale of $ 2,000,000, gold, by the Treasury, at 115.76 to 115.88½.
26 Sale of $ 1,000,000, gold, by the Treasury, at 115.67.

July.

2 Bids for $2,000,000 seven-per-cent. bonds of N. Y. Central and Hudson R. R. R. Co.
2 Bids for $530,000, N. Y. City seven-per-cent. stocks, 1.10 to 3.01.
3 Sale of $1,000,000, gold, by the Treasury, at 115.13 to 115.13.
10 Sale of $1,000,000, gold, by the Treasury, at 115.67 to 115.72.
15 Death of E. S. Mills, president of Brooklyn Trust Co., by drowning.
16 Purchase of $207,850 bonds, by the Treasury, at 115.49 to 115.86.
17 Sale of $1,500,000, gold, by the Treasury, at 116.01 1-10
17 Rate of interest at Bank of England reduced to 4½ per cent.
18 Suspension of the Brooklyn Trust Co.

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from July No., page 77.*]

NEW YORK CITY.

Fitch, Otis & Co. (now F. A. Otis & Co.)
Meyer & Greve (now L. Christian Meyer.)

Idaho.—Greathouse Brothers, *Boise City*.

Illinois.—John H. Daniels, *Wilmington*, (failed).

Iowa.—Marshall Co. Bank, *Marshalltown*, (succeeded by Farmers' National Bank.)

Kansas.—Real Estate & Loan Association, *Council Grove*; M. P. Hillyer & Co., *Council Grove*, (succeeded by Valley Bank and Savings Institution.)

Michigan.—S. W. Webber & Co., *Muir*, (merged into First National Bank).

New York.—Brooklyn Trust Co, *Brooklyn* (suspended); John McElhone, *Ellenville*; Lefevre & De Garmo, *Walden*, (both merged into Home National Bank of Ellenville; First National Bank, *Havana*, (now Bank of Havana).

Ohio.—Charles Boesel, *New Bremen*.

Philadelphia.—Richards & Thompson; M. Schultz & Co., (succeeded by James B. Young & Co.); Narr & Ladner, (succeeded by Ladner Bros.); Wallace & Keene, (succeeded by E. W. Keene).

Pennsylvania.—J. H. Watson & Co., *Williamsport* (merged into Lycoming Co. Savings Bank).

Texas.—Perry, Shepherd & Co., *Denison*, (now Perry & Co.)

National Bank Deposits.—In their returns of deposits for taxation, National banks are not permitted to exclude disbursing officers' balances from their dutiable deposits, as has been incorrectly stated, but only deposits to the credit of the Treasurer of the United States. The Treasurer has recently ruled that National banks, not making a daily statement of balances of deposits, may compute their average deposits by averaging their weekly balances.

NOTES ON THE MONEY MARKET.

NEW YORK, JULY 22, 1873.

Exchange on London, at sixty days' sight,* 109⅛ @ 109⅜ *for gold.

The usual condition of ease marks the period of midsummer in the money market. The balances of country banks continue to accumulate, and loans on call are made at low rates. The ordinary course of events will doubtless prevail; full sail will be carried as if summer were to last forever, and when the now plethoric accounts are diminished by their owners, sharp and sudden calls will derange not merely stock speculations but legitimate business throughout the country.

Foreign imports at this port during the month of June were one and a half millions less than those of the same month of 1872, and two and a half millions below those of 1871. But the total imports for six months exceed those of any corresponding period of preceding years except 1872. The following is a comparison:

Foreign Imports at New York for six months from January 1.

	1871.	1872.	1873.
Entered for consumption	$103,644,062	$108,754,644	$94,888,863
Entered for warehousing	77,625,103	106,288,001	71,973,195
Free goods	15,822,807	16,960,413	51,394,219
Specie and bullion	4,742,052	777,578	2,791.705
Total entered at port	$201,834,024	$232,780,636	$221,047,982
Withdrawn from warehouse	63,198,325	64,053,290	63,842,946

For the entire fiscal year, however, the total is largely in advance of that preceding, viz.:

Foreign Imports at New York for the Fiscal Year ending June 30.

	1871.	1872.	1873.
Entered for consumption	$194,498,898	$212,397,830	$183,093,637
Entered for warehousing	131,133,036	171,011,048	137,809 234
Free goods	23,097,561	30,015,900	91,862,826
Specie and bullion	9,443,737	2,384,134	7,608,335
Total entered at port	$358,173,232	$415,808,912	$420,374,032
Withdrawn from warehouse	114,423,936	126,516,331	153,872,861

In exports, however, a very gratifying gain is shown as follows:

Exports from New York to Foreign Ports in the month of June.

	1871.	1872.	1873.
Domestic produce	$ 17,432,767	$ 19,048,152	$ 23,225,558
Foreign free goods	71,712	97,264	106,465
do. dutiable	890,659	946,144	1,111,303
Specie and bullion	8,604,738	12,538,202	6,665,996
Total exports	$ 26,999,876	$ 32,629,762	$ 31,099,322
do. exclusive of specie	18,395,138	20,091,560	24,443,326

For the six months the remarkable increase of *thirty-three millions* is seen.

Exports from New York to foreign ports for six months from January 1.

	1871.	1872.	1873.
Domestic produce	$ 110,265,583	$ 100,442,308	$ 133,403,183
Foreign free goods	533.100	679,087	1,256,069
do. dutiable	4,263,264	5,337,088	4,828,629
Specie and bullion	41,554,622	37,114,899	27.819,284
Total exports	$ 156,616,569	$ 143,573,382	$ 167,307,165
do. exclusive of specie	115,061,947	106,458,483	139,487,881

The total year exhibits a highly satisfactory gain, viz.:

Exports from New York to Foreign Ports for the fiscal year ending June 30.

	1871.	1872.	1873.
Domestic produce	$ 213,306,021	$ 215,729,972	$ 258,436,562
Foreign free goods	611,328	1,279,250	2,174,992
do. dutiable	8,799,517	9,053,551	9,277,141
Specie and bullion	82,905,497	59,425,823	62,663,427
Total exports	$ 305,622,363	$ 285,488,596	$ 332,552,122
do. exclusive of specie	222,716,866	226,062,773	269,888,695

This aspect of mercantile affairs is the most hopeful of any of the signs of the times.

Rates for money are quoted in Wall street as follows:

	Per Cent.
Loans on call—Government collaterals	4 @ 5
" " Miscellaneous collaterals, first-class	5 @ 6
Commercial first-class indorsed paper, sixty days	6½ @ 6½
Commercial first-class indorsed paper, four months	7 @ 7½
Commercial first-class indorsed paper, six months	7½ @ 8
Commercial first-class, single names, sixty days	7 @ 7
Commercial first-class, single names, four to six months	8 @ 10
Bankers', first-class domestic, three to four months	6½ @ 7

The premium on gold has advanced about one per cent. under speculative manœvres, and closed yesterday at 16¼. Government sales during this month are five and a half millions.

For miscellaneous gold and silver coin the following are the nominal quotations in gold:

American silver, large, 94½ *a* 96; American silver, small, 94 *a* 98; Mexican dollars, old stamp, 105 *a* 106¼; Mexican dollars, new stamp, 103 *a* 104; English silver, 480 *a* 485; Five francs, 92 *a* 95; Thalers, 70 *a* 72; English sovereigns, 487 *a* 492; Twenty francs, 385 *a* 388; Spanish doubloons, 16.15 *a* 16.30; Mexican doubloons, 15.45 *a* 15.70.

Foreign Exchange has been steady at rates slightly above those of last month; bankers' sixty-days sterling bills selling at 109⅛ *a* 109⅜. We quote: Bills at 60 days on London, 108¼ *a* 109 for commercial; 109⅛ *a* 109⅜ for bankers'; do. at short sight, 110 *a* 110¼; Paris at 60 days, 5.27½ *a* 5.23¾; do. at short sight, 5.19⅜ *a* 5.18¾; Antwerp, 5.25 *a* 5.20; Swiss, 5.25 *a* 5.20; Hamburg, 4 Reichsmark, 95¾ *a* 96⅜; Amsterdam, 40 *a* 40¼; Frankfort, 41 *a* 41⅜; Bremen, 4 Reichsmark, 95¾ *a* 96⅜; Prussian thalers, 71¾ *a* 72⅛.

Rates for the three months preceding compare as follows:

Sixty days' Bills.	*April 23.*	*May 22.*	*June 21.*	*July 21.*
On London, bankers'...	108⅝ @ 108¾	108⅞ @ 109⅛	109 @ 109¼	109⅛ @ 109⅜
" commercial	107⅞ @ 108¼	108¼ @ 108¾	108⅜ @ 108⅝	108½ @ 109
Paris, francs, ℘ dollar..	5.32½ @ 5.27½	5.27½ @ 5.22½	5.28¾ @ 5.24⅜	5.27½ @ 5.23¾
Amsterdam, ℘ guilder.	39½ @ 40⅛	39⅞ @ 40⅜	39⅞ @ 40⅜	40 @ 40½
Frankfort, ℘ florin	40½ @ 40⅞	40⅞ @ 41⅜	40⅞ @ 41⅜	41 @ 41⅜
Hamburg, ℘ 4 R'mark..	94¾ @ 95½	95½ @ 96¼	95⅝ @ 96¼	95¾ @ 96⅜
Prussian thalers	71 @ 71½	71½ @ 72¼	71¾ @ 72¼	71¾ @ 72⅜

The New York City Banks are in comfortable condition under an easy money market. Experience should teach them to prepare now for the inevitable withdrawal of country balances, which must come with autumn. We annex their returns in a series of years:

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$257,852,460	$12,794,892	$65,026,121	$32,762,779	$202,533,564	$466,987,787
Jan. 4, '68..	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69..	259,090,057	20,736,122	48,896,421	34,379,609	180,490,445	585,304,799
Jan. 3, '70..	250,406,387	31,166,908	45,034,608	34,150,887	179,129,394	399,355,375
July 4.....	276,496,503	31,611,330	56,815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71..	263,417,418	20,028,846	45,245,358	32,153,514	188,238,995	467,692,982
July 3.....	296,237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72..	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1.....	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73..	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3	286,879,600	18,612,200	45,802,100	27,501,000	217,168,500	661,411,941
Mar. 3.....	281,344,900	16,370,500	40,724,000	27,601,300	202,066,100	818,260,202
April 7.....	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
May 5.....	270,721,100	18,677,800	40,051,700	27,564.400	196,471.900	698,038,785
June 2.....	277,958,800	19,482,000	44.332.300	27,447,100	208,136,500	454,272,030
" 23.....	278,903,800	27,398,300	46,704,200	27,352,000	220,392,500	529,430,403
" 30.....	281,506,600	27,661,500	49,119,000	27,311,400	224,040,800	438,988,738
July 7.....	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
" 14.....	288,174,500	34,658,000	48,329,900	27,291,800	238,916,900	462,657,568
" 21.....	289,878,100	32,273,600	48,872,500	27,281,500	240,206,400	527,666,746

A comparison with the same period in former years is as follows:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
1872, July 20	$297,214,500	$29,571,800	$52,895,600	$27,376,000	$247,551.300
1871, July 22	380,068,724	18,141,987	72,419,670	30,371,186	255,735,063
1870, July 23	286,090,798	34,358,612	53,978,711	32,999,337	233,965 513
1869, July 24	259,641,889	30,079,424	54,271,862	34,110,798	193,622,260
1868, July 25	280,345,255	20,804,101	72,235,586	33,963,373	226,761,662
1867, July 27	251,243,830	8,798,094	74,605,840	33,596,859	200,608,886
1866, July 28	256.612,071	9,701,540	84,705,814	27,244,981	214,582,926
1865, July 29	222,340,966	20,773,155	46,956,782	7,085,454	186,176,671
1864, July 30	185,838,480	21,051,896	——	4,553,426	152,929,633
1863, Aug. 1	176,208,597	33,746,681	——	5,700,425	161,173,146
1862, Aug. 2	150,517,844	34,022,409	——	9,311,268	137,112,932

The banks of Philadelphia exhibit in their reports but little change of condition. The usual statements for the past month and for a series of years are annexed:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868	$5[illegible],002,304	$235,912	$16,782,438	$10,639,000	$36,621,274
" 4, 1869	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, "	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, "	57,062,437	352,775	10,599,532	11,370,253	42,120,451
Mar. 3 "	56,867,858	271,544	9,917,655	11,389.972	41,495,605
April 7, "	57,075,617	130,936	9,663,471	11,475,119	40,124,310
May 5, "	59,006,414	238,944	11,641,739	11,438,679	45,177,200
June 2, "	61,135,011	116.089	15,377,993	11,434,591	51,833,223
" 23, "	59,969,358	192,866	15,214,558	11,458,851	48,758,513
" 30, "	59,991,431	172,948	15,267,087	10,727,240	48,341,872
July 7, "	60,480,403	322,626	14,513,757	11,431,847	48,200,545
" 14, "	60,532,196	307,072	14,389,493	11,446,183	48,443,147
" 21, "	60,382,983	320,805	14,849,282	11,453,342	48,449,572

In Boston a good demand for money tempts the banks to enlarge their discount lines rather than their reserves. The following shows their condition and a comparison with previous periods:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765.347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8	112 164.800	2,740,100	9,471,800	24,877,000	48,875,500
The deposits (after this date) include the amount due to other banks.					
Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3	125,088,700	2,253,300	11,507,300	25,485 800	77,272,500
Mar. 3	124,390,400	1,015,100	11,185,600	25,457,500	74,833,700
April 7	120,001,600	922,600	8,939,300	25,519,400	64,023,200
May 5	117,501,100	1,401,100	9,191,600	25,625,700	65,809,400
June 2	117,959,600	1,269,200	11,406,800	25,445,100	69,422,800
" 23	120,163,900	1,156,600	11,183,000	25,556,100	68,413,000
" 30	121,306,700	939,700	11,738,000	25,470,300	69,943,600
July 7	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
" 14	124,176,700	2,422,500	11,271,900	25,921,100	[illegible],866,200

Government bonds continue strong and high and the demand appears to exceed the supply. We annex the latest quotations:

	Offered.	Asked.
U. S. Currency 6s	114¼	114½
U. S. 6s, 1881, Registered	118⅛	118⅜
U. S. 6s, 1881, Coupon	119⅜	120
U. S. 5-20 Reg., May and Nov.	116⅝	117
U. S. 5-20, '62, Coupon, Nov.	117	117½
U. S. 5-20, '64, Coupon, Nov.	117⅝	117⅞
U. S. 5-20, '65, Coupon, Nov.	118⅞	119⅛
U. S. 5-20, '67, Reg., Jan. & July	116¾	117¼
U. S. 5-20, '65, Coupon, July	117¾	118
U. S. 5-20, '67, Coupon, July	118¾	119
U. S. 5-20, '68, Coupon, July	118⅛	118½
U. S. 10-40, Registered	114½	115
U. S. 10-40, Coupon	114⅞	115
U. S. 5s of '81, Coupon	115⅜	—

For State bonds prices are well maintained. but the market is quiet. Quotations yesterday were as follows:

	Offered.		Asked.
Tennessee 6s, old	80½	....	81
Tennessee 6s, new	80½	....	81
Virginia 6s, Consol. Bonds	54	....	55
Virginia 6s, Def. Bonds	10⅜	....	—
Georgia 6s	72	....	—
Georgia 7s, new bonds	88½	....	89
North Carolina 6s, old	27	....	28
North Carolina 6s, F. A., 1866	—	....	18
North Carolina 6s, F. A., 1868	16¼	....	17½
North Carolina, new	—	....	17
North Carolina, Spec. Tax	—	....	14
South Carolina, Jan. & July	14	....	15½
South Carolina 7s, 1888	—	....	35
Missouri 7s	93	....	93½
Missouri 6s, H. & St Jo. is	92½	....	—
Missouri 6s, Asy. or Uni	91	....	—
Louisiana 6s,	49½	....	55
California 7s	112	....	116
California 7s, U. B.	112	....	—
Connecticut 6s.	100	....	-
Ark. 6s, Funded	38	....	40
Ark. 7s, L. R. & Ft. S. is	20	....	—
Arkansas 7s, M. & L. R.	20	....	—
Ark. 7s, L. R. P. B. & N. O.	25	....	40
Texas 10s	77	....	86
Ohio 6s, 1875	100	....	—
Ohio 6s, 1881	102	....	—
Ohio 6s, 1886	103	....	105
Illinois coupon 6s, 1877	97	....	99
Illinois coupon 6s, 1879	97	....	—

Messrs. ROBINSON, CHASE & Co., 18 Broad street, offer for sale, at par and interest, the new seven-per-cent. loan, $2,500,000, of the city of Rochester, (issued for construction of Water Works, under Act of Legislature of April 27th, 1872.) They also offer the Lake Shore and Michigan Southern Railway Co.'s new Sinking Fund seven-per-cent. loan, ($6,000,000), at 94 and Interest.

The London money market manifests a growing ease, and under a gain of £37,000 in bullion for the week previous, the rate of discount at the BANK OF ENGLAND was reduced on 17th, to four and a half per cent.

The latest advices by mail give the following rates for money on the Continent:

	Bank Rate. Per Cent.			Bank Rate. Per Cent.
Amsterdam	5	....	Hamburg	6
Bremen	6	....	Leipsic	6½
Berlin	6	....	Paris	5
Brussels	6	....	St. Petersburg	4½
Frankfort	5	....	Vienna	5

DEATHS.

At LOUISVILLE, KY., on Friday, July 4th, aged seventy-eight years, JOSHUA B. BOWLES, for many years President of the BANK OF LOUISVILLE.

In KANSAS CITY, MO., on Wednesday, April 2d, aged forty-six years, DANIEL L. SHOUSE, Cashier of the KANSAS CITY NATIONAL BANK.

In CHURCH HILL, OHIO, on Tuesday, July 1st, aged sixty-three years, W. B. LESLIE, of the banking firm of WALKER, LESLIE & Co., of that place.

In WESTCHESTER, PA., on Sunday, June 22d, aged seventy-two years, JOHN MARSHALL, President of the NATIONAL BANK OF CHESTER COUNTY since 1863.

On Tuesday, July 15th, by drowning, ETHELBERT S. MILLS, President of the BROOKLYN TRUST COMPANY.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

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THE SAVINGS BANKS OF NEW ENGLAND.

The subject of savings banks—their condition, management and usefulness, is one that claims the careful consideration of capitalists, legislators and the community at large. The comparative condition of these institutions, for a few years past, is a favorable index to the accumulating wealth of the laboring classes, and illustrates fully the industry and thrift among minors as well as adults. Thus in the State of Rhode Island there are over eighty thousand depositors, or more than forty per cent. of the population. In Connecticut there are over two hundred thousand depositors, or about thirty-seven per cent. of the population. In Massachusetts there is a still greater proportion reported, or over forty-three per cent. Of course more than one-half the depositors are women and children. In Massachusetts there are 217,000 persons (or one-seventh of the whole State) employed in manufactures. These must form a large part of the savings bank depositors of the commonwealth, 630,246 in number at the close of the year 1872.

The management of these institutions is also well worth a critical examination on the part of their creditors, and that of the legislature. So far the management may be considered as unexceptionable. They are generally in the hands of responsible and able citizens, whose services are given to this important trust without charge. After paying an average dividend of a fraction over six per cent. per annum, (amounting in gross to $ 9,622,000), the savings banks of Massachu-

SETTS have a surplus of $3,045,000 to meet unexpected contingencies or losses in their investments. Their aggregate expenses of management for the past year were $469,681, or about one-fourth of one per cent. of the sum under control. No institutions in the world, of a similar magnitude, can, probably, show more economical or more intelligent control.

The third feature in these institutions, to which we are pleased to refer, is their usefulness to the community and to the country. They contribute by their loans and investments to the business of the people, to the construction of railroads, to the establishment of manufactures throughout the commonwealth. Within the last twelve years they have absorbed large amounts of the government debt, at periods when the public treasury was at a low ebb. They now hold, in MASSACHUSETTS alone, twenty-one millions of government bonds; they have loaned ninety millions on mortgages; twelve millions to counties and towns for local improvements; and thirty-three millions on personal securities. The usefulness of these institutions cannot be over-estimated.

Their usefulness as lenders of capital is still further illustrated by their combined capital, when compared with the chartered banks. The bank capital in the six New England States is 169 millions of dollars. The capital and working profits (or deposits) of the savings banks of those States is 360 millions; a sum largely exceeding the aggregate savings deposits in the UNITED KINGDOM with its population of thirty-one millions.

In order to present the subject more fully we have compiled, from the official reports of the savings banks of the six New England States, the following summary, showing the aggregate deposits and depositors of each, with those of the State of NEW YORK.

THE SAVINGS BANKS OF NEW ENGLAND.

The deposits and number of depositors last year, compared with two previous years, were as follows:

	No. of Depositors.			*Amount of Deposits.*		
States.	1870-1.	1871-2.	1872-3.	1870.	1871.	1872-3.
Mass.	431,769	561,001	630,246	$112,119,016	$163,704,077	$184,797,314
Conn.	165,692	178,087	201,742	47,904,884	62,717,814	68,523,400
R. Island	67,238	80,076	88,664	27,067,072	36,385,108	42,583,585
Maine	39,527	69,411	81,320	10,490,368	22,787,802	26,154,331
New Hamp.	71,536	86,791	94,967	18,759,461	24,700,744	28,462,810
Vermont	14,295	15,988	15,988	2,037,934	* 4,438.268	* 4,438,268
	790,057	991,354	1,112,927	$218,378,685	$314,733,813	$354,959,158
New York	712,109	776,700	822,642	250,749,408	267,905,866	285,286,621

* The last published return.

The following table represents the population of each of the above

States in 1870, the number of savings banks, with the amount of deposits and the number of depositors in 1873.

States.	1870. *Population.*	1873. *No. Sav. Banks.*	1873. *Deposits.*	1873. *Depositors.*	*Average.*
Massachusetts..	1,457,351	172	$ 184,797,314	630,246	$ 293 21
Connecticut....	537,454	78	68,528,400	201,742	339 65
Rhode Island...	217,353	36	42,583,535	88,664	480 03
New Hampshire	318,300	61	28,462,310	94,967	299 70
Maine	626,915	54	26,154,831	81,320	321 62
Vermont.......	330,551	16	4,438,268	* 15,988	277 55
New England..	3,487,924	317	$ 354,959,158	1,112,927	$ 318 94
New York	4,382,759	150	285,286,621	822,642	346 79

* The published returns from VERMONT do not state exactly the number of depositors in all the banks. The official report is defective.

The following table represents the total population of each State; the total number of savings depositors in each; the per centage of depositors to population; the average deposit for each person in the State; and the average deposit for each depositor.

Average per cent. of depositors to population; average deposit to each head of population; average deposit to each depositor.

	Population.	*Savings Depositors.*	*Average per cent.*	*Average to each.*	*Average to each Depos.*
Massachusetts.........	1,457,351	630,246	43	$ 127	$ 293 21
Connecticut...........	537,454	201,742	37½	128	339 65
Rhode Island	217,353	88,664	41	196	480 03
New Hampshire.......	318,300	94,967	30	89	299 70
Maine	626,915	81,320	13	41¾	321 62
Vermont..............	330,551	15,988	05	13½	277 55
Total	3,487,924	1,112,927	32	$ 102	$ 318 94
New York	4,382,759	822,642	19	65	346 79

On the whole the savings banks returns present highly favorable features, and we hope no serious disturbance will occur in their future progress.

It is to be regretted that the savings banks of the country are yet burdened by taxation by the State and by the general Government. These institutions should, we think, be entirely free from taxation, and encouragement should be given by the State to the establishment of new ones and to further accumulations. All, men, women and children, should be encouraged, as far as possible, to labor; and to preserve the fruits of such labor, in order to meet the demands or requirements of old age. Instead of taxing such institutions for the support of government and the maintenance of the indolent, the State should, equitably, contribute a trifle to meet the expenses of management of the savings banks.

In the State of MAINE the savings banks paid last year $119,159 in taxes to the State, and $ 69,779 to the UNITED STATES. In the other States the taxation is equally large and burdensome, and should be, at an early day, abolished. The depositors in savings banks could, with obvious propriety, be free from taxation; and the support of the State be thrown upon those who squander their surplus earnings instead of placing them where surplus will accumulate.

We find in FRANKLIN a suitable commentary on this point, although he never heard of savings banks:

"The taxes are indeed very heavy, and if those laid on by the government were the only ones we had to pay, we might more easily discharge them; but we have many others, and much more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride, and four times as much by our folly: and from these taxes the commissioners cannot ease or deliver us, by allowing an abatement."

It is Mr. EMERSON who tells us, "What a benefit would the American government, not yet relieved of its extreme need, render to itself, and to every city, village and hamlet in the States, if it would tax whiskey and rum* almost to the point of prohibition! Was it BONAPARTE who said that he found vices very good patriots? '*He got five millions from the lovers of brandy, and he would be glad to know which of the virtues would pay him as much.*' Tobacco and opium have broad backs and will cheerfully carry the load of armies, if you choose to make them pay high for such joy as they give and such harm as they do."

The savings bank depositor, while he contributes at present to the support of the State, saves a little for the close of life. He is familiar with FRANKLIN'S maxim: "If you know how to spend less than you earn, you have the philosopher's stone;" and that of SAM. JOHNSON, "Economy is the parent of integrity, of liberty and of ease, and the beauteous sister of temperance, of cheerfulness, and of health."

In the *Edinburgh Review* for July, 1873, may be found an interesting article on *The Savings of the People*, which contains numerous and valuable suggestions, and from which the following paragraphs are taken:

The working classes have learned by experience the disadvantage at which they are placed for want of capital. They are kept by it ever on the verge of disaster. They have no reserves to fall back upon when temporary dislocations of trade throw them out of work, or at best on the mercy of the capitalist. And they have long ago discovered that the only way of meeting the difficulties of their lot is by combinations, trades' unions, and strikes. It is well that they have these remedies—poor as they are—in default of other and better ones, else their lot would be forlorn indeed. But the possession of capital would give them a better remedy . . . . .

Now there is but one way in which capital can be made to grow in the hands of the working classes—viz.: *by saving*. The great wealth of our millionaires is the result of savings, and mostly of the savings of one or two generations. There

* As well as rumsellers.—*Ed. B. M.*

is no mystery about the creation of capital. All wealth is crystalized labor. However fast wealth is produced, and however high wages may be, only that portion which is saved and laid by becomes capital. If the working classes are without capital, it is because, owing in a great degree to the circumstances already alluded to, they and their fathers have hitherto found the temptations to spend greater than the inducements to save. . . . .

We have endeavored to show that the State may do something to help them in this husbandry of capital. It may not be much, but that is no reason why it should be left undone. At the same time we do not forget that whether they make use of any proffered help is, after all, very much dependent on the success of that far greater work which the State has undertaken for their benefit—that *education* of the people, the great object of which is to help them to help themselves.

THE BANKS AND SAVINGS BANKS OF MAINE.

Report of the Bank Commissioner.

To the Hon. Sidney Perham, *Governor of the State of* Maine:

The undersigned, Bank Examiner, in discharge of the duty devolving upon him by the requirements of law, has examined the several banks of discount and deposits and the savings institutions in the State, and has the honor to submit herewith his report of their condition and business for the year ending November 1st, 1872.

The Banks of Discount and Deposit

are the same as reported last year. By an act of the last legislature the capital stock of the Veazie Bank, of Bangor, was reduced from $150,000 to $75,000. The bank has conformed to the law, paid out the surplus and is now doing business on the reduced capital.

A detailed statement of the condition of these banks at the time they were visited will be found under the appropriate head. The aggregate of their liabilities and assets was as follows:

Liability.

Capital stock	$370,000 00
Circulation	8,245 00
Deposits	289,508 78
Due on dividends	2,216 00
Due to banks	33,321 85
Profits	61,905 49
	$765,197 12

ASSETS.

Loans	$ 569,084 97
Bonds and stocks	29,200 00
Real estate	14,000 00
Due from banks	63,634 79
Cash on hand	89,277 36
	$ 765,197 12

The outstanding circulation now amounts to $ 8,245, the larger part of which will accrue to the profit account, only $ 369 having been redeemed the past year.

The charters of these five banks now doing business will all expire in October, 1875. The National banking system proves so acceptable, giving a uniform currency in all parts of the country, it is not probable that the government prohibition on State circulation will be removed, nor is this desirable; and as the income of State banks without circulation is insufficient to induce capitalists to invest in them, the presumption is that the stockholders will not ask for a renewal of their charters.

Some action of Congress by which new banks could be organized, based on government four-per-cent. bonds, with an equal amount of circulation, would be acceptable, and could be made profitable.

THE SAVINGS BANKS OF MAINE.

The number of savings banks now doing business in the State is fifty-four, five having been organized during the past year, namely: 1. BETHEL SAVINGS BANK, Bethel. 2. BOOTHBAY SAVINGS BANK, Boothbay. 3. HOULTON SAVINGS BANK, Houlton. 4. LUBEC SAVINGS BANK, Lubec. 5. WINTHROP SAVINGS BANK, Winthrop.

The aggregate of deposits and profits held by these banks on the first Monday of November last was $ 26,154,333.

The investments, as compared with 1871, are as follows:

Investments.	1871.	1872.
Loans on real estate	$ 5,415,233 82	$ 6,246,323 77
" collaterals, etc.	5,163,526 26	5,518,314 83
Invested in real estate	243,737 74	229,450 42
" U. S. bonds	1,446,536 16	1,268,701 05
" State of Maine bonds	328,389 50	334,700 00
" other State, county and municipal bonds	4,837,436 36	6,257,176 72
" railroad bonds and stocks	4,071,608 29	4,940,627 53
" bank stock	456,546 00	574,461 25
" miscellaneous stocks, etc.	116,590 01	120,933 65
Cash	708,198 31	663,643 81
	$ 22,787,802 45	$ 26,154,333 03

From the foregoing statement of aggregates, and from the details of the condition of the several banks, the following facts are ob-

tained. There has been within the year an increase in the deposits of $ 3,366,530.58. The total amount of deposits in the savings banks of the State exceeds the total of the capital, circulation and deposits of all the National banks of the State by nearly $ 2,000,000.

The increase of depositors the past year has been 11,909, which is seventy-eight per cent. of the increase of the year previous, while the increase in deposits during the same time has been but little more than half that of the preceding year, showing the deposits to be in much smaller sums, and indicating a reduced income of the laborers of the State.

The average to each depositor is $ 321.63 (last year $ 328.30).

The total number of depositors who have a balance of $ 500 or less is 68,327.

The amount standing to their credit is $ 8,768,613.

The number exceeding $ 500 and not more than $ 1,000 is 7,074.

The total amount of their deposits is $ 5,581,188.

The number of depositors with balances exceeding $ 1,000 and not more than $ 5,000 is 5,674.

Their deposits amount to $ 9,886,225.

The number who have balances exceeding $ 5,000 is 245, together holding deposits amounting to $ 1,900,307.

The average to each depositor whose balance exceeds $ 500 is $ 1,337, and, as compared with last year ($ 1,220), has increased, while those of the smaller have decreased from $ 146.69, last year, to $ 128.32, this year.

The fifty-four savings banks have paid the past year dividends amounting to $ 1,384,510, and taxes to the UNITED STATES of $ 69,779, and to the State of MAINE of $ 119,159. The banks are also setting aside a reserve fund of at least one half of one per cent. per annum, and provided losses do not first occur, the reserve will soon become of sufficient amount to be sure *guarantee* of regular uninterrupted dividends. A large saving will be made the coming year in consequence of the change of the law of Congress taxing savings banks.

The law of last winter requiring of the savings banks a tax to the State of one half of one per cent. is eminently just to other tax payers; and although the per cent. is small, the total is more than could be realized from the same property in any other way. Any attempt to enforce a tax in a different manner would ruin the savings banks of the State. The amount realized this year is $ 119,159, which, distributed over the State for the benefit of schools, gives to each scholar about fifty cents.

The semi-annual examinations now required by law to be made by the Trustees, proves beneficial, insuring to some a familiarity with the situation and character of their securities which is necessary in order to properly guard the interests of the depositors. The responsibility resting on the managers of savings banks is great. They

have in their charge the all of many persons, pecuniarily, and though the amount to each be small, it is of vast importance to them.

Great caution should be exercised in authorizing the formation of new institutions. The character of the managers, the location and prospects of a growing and remunerative business, should be understood. The formation of new savings banks in remote and sparsely populated sections is not wise, the business of such being too small to insure competent officers and proper attention to the interests of the institution.

It is recommended that as little legislation as possible be had touching savings banks, as all such has a tendency to disturb timid depositors and cause the withdrawal of their funds. None such is needed at present, unless it be to ensure a more prompt payment of the tax to the State.

The result of the examinations in the main have been very satisfactory. The banks appear to be in a prosperous condition, and as far as is known their investments are safe and paying remunerative interest. The practice of late of investing in the securities of the West, remote and *unknown*, is of doubtful policy. The past furnishes no precedent to the enormous amount of corporate indebtedness of the country (especially the West), and no clear-sightedness can foretell the result. Rather than to make such investments, it would be better for the State and safer for the banks to loan on the security of names under proper legal restrictions.

William Philbrick.

Skowhegan, December 31, 1872.

Progress of Savings Banks in Maine.—1861–1872.

	No. Banks.	*No. Depositors.*	*Deposits.*	*Average Deposits.*
1861	—	—	$ 1,620,270	—
1862	15	11,833	1,876,159	$ 158.55
1863	—	—	2,641,476	—
1864	15	18,506	3,672,976	198.44
1865	—	18,308	3,336,828	182.25
1866	18	19,186	3,946,433	205.68
1867	20	26,197	5,598,600	213.32
1869	36	39,527	10,490,368	265.40
1870	43	54,155	16,597,889	306.50
1871	50	69,411	22,787,802	328,30
1872	54	81,320	26,154,331	321.62

It is said, and we believe with truth, that more than two-thirds of the English people are dependent on wages. Probably in no other country in the world is the proportion of the people dependent on wages so large. And it would seem that at no other period of English history has so large a proportion of the English people been dependent on wages as at the present time. Whether rightly or wrongly, such is the great economic fact which practical statesmanship has to deal with in England. It is the product of her past economic history.—*Ed. Rev.*

The Savings Banks of Maine,

In October, 1871, and November, 1872; comparative deposits of each, with the dates of incorporation.

Year.	*Place.*	*Name.*	1871. *Deposits.*		Year 1872. *Deposits.*		*Depositors.*
1868	Auburn	Auburn Savings Bank..	$ 793,314	..	$ 933,832	..	2,720
1848	Augusta....	Augusta Savings Bank.	1,501,661	..	1,687,663	..	4,329
1870	"	Kennebec Savings Bank	208,958	..	275,030	..	871
1852	Bangor	Bangor Savings Bank..	1,942,796	..	2,189,575	..	5,554
1867	"	Penobscot Savings B'k.	462,240	..	469,654	..	1,106
1852	Bath	Bath Savings Bank....	1,476,625	..	1,561,074	..	2,740
1868	"	People's 25-Cent Sav. B.	332,756	..	402,547	..	1,374
1868	Belfast	Belfast Savings Bank..	504,333	..	671,758	..	1,917
1872	Bethel	Bethel Savings Bank...	*New.*	..	10,529	..	203
1867	Biddeford ..	Biddeford Savings Bank	375,607	..	441,363	..	1,164
1860	" ..	York Co. Five-Ct. S. B.	481,113	..	559,497	..	2,963
1872	Boothbay ..	Boothbay Savings Bank	*New.*	..	879	..	40
1869	Brewer	Brewer Savings Bank..	13,816	..	22,946	..	201
1869	Bridgton ...	Bridgton Savings Bank.	62,968	..	97,787	..	646
1858	Brunswick .	Brunswick Savings B'k	347,484	..	392,994	..	1,165
1870	Bucksport ..	Bucksport Savings B'k.	26,038	..	65,667	..	623
1868	Buxton	Buxton & Hollis Sav. B.	50,363	..	60,806	..	355
1861	Calais......	Calais Savings Bank...	164,720	..	200,561	..	664
1870	Camden ...	Camden Savings Bank.	107,283	..	170,533	..	827
1867	Dexter	Dexter Savings Bank...	119,773	..	162,749	..	1,097
1869	Eastport ..	Eastport Savings Bank.	33,751	..	54,252	..	353
1871	Fairfield....	Fairfield Savings Bank.	20,446	..	33,258	..	202
1868	Farmington	Franklin Co. Sav. Bank	160,540	..	189,852	..	1,360
1834	Gardiner ...	Gardiner Savings Inst..	818,578	..	897,998	..	2,927
1868	Gorham	Gorham Savings Inst...	43,155	..	55,677	..	355
1854	Hallowell ..	Hallowell Savings Inst.	309,842	..	351,701	..	1,147
1871	Hartland ...	Hartland Savings Bank	8,320	..	11,948	..	184
1872	Houlton ...	Houlton Savings Bank.	*New.*	..	17,339	..	195
1871	Kennebunk.	Kennebunk Savings B'k	17,913	..	53,637	..	343
1860	Lewiston ..	Lewiston Savings Inst..	970,438	..	1,053,057	..	3,690
1870	" ..	Androscoggin Co. S. B.	413,760	..	553,321	..	1,692
1872	Lubec	Lubec Savings Bank...	*New.*	..	1,226	..	14
1869	Machias ...	Machias Savings Bank.	212,984	..	295,959	..	1,084
1866	Newport ...	Newport Savings Bank.	145,622	..	165,057	..	773
1870	North Anson	North Anson Sav. Bank	5,713	..	11,176	..	216
1866	Norway	Norway Savings Bank..	226,163	..	250,543	..	1,436
1868	Orono	Orono Savings Bank...	69,431	..	85,261	..	252
1871	Pembroke ..	Pembroke Savings Bank	10,440	..	25,657	..	148
1871	Phillips	Phillips Savings Bank.	6,780	..	13,323	..	255
1852	Portland ...	Portland Savings Bank.	4,023,906	..	4,166,323	..	9,137
1859	" ...	Maine Savings Bank...	3,230,255	..	3,545,905	..	10,666
1871	Richmond ..	Richmond Savings B'k.	26,180	..	43,121	..	237
1868	Rockland...	Rockland Savings Bank	610,535	..	803,315	..	3,104
1827	Saco	Saco & Biddeford S. Inst.	1,121,466	..	1,345,414	..	3,550
1869	"	Saco Savings Bank.....	68,088	..	94,290	..	754
1869	Skowhegan.	Skowhegan Sav. Bank.	260,975	..	313,491	..	1,297
1869	Solon	Solon Savings Bank....	18,703	..	20,287	..	212
1866	So. Berwick.	South Berwick Sav. B'k	127,668	..	176,921	..	523
1868	Stockton ...	Stockton Savings Bank.	14,733	..	12,132	..	156
1868	Thomaston .	Thomaston Savings B'k	188,868	..	319,842	..	890
1869	Waterville..	Waterville Sav. Bank..	464,445	..	570,045	..	2,377
1869	" ..	West Waterville Sav. B.	79,904	..	88,366	..	466
1872	Winthrop ..	Winthrop Savings Bank	*New.*	..	35,742	..	213
1866	Wiscasset ..	Wiscasset Savings Bank	105,340	..	121,451	..	553
		Totals, 54 banks....	**$ 22,787,802**		**$ 26,154,331**	..	**81,320**

SAVINGS BANKS OF RHODE ISLAND.

ANNUAL REPORT.

State Auditor's Office, Providence, February 13th, 1873.

Circulars were issued from this office subsequent to Friday, December 6, 1872, asking of the State banks, Savings institutions, and RHODE ISLAND HOSPITAL TRUST COMPANY, a statement of their condition on the said day, in accordance with the requirements and provisions of chapter 141 of the *General Statutes*. The accompanying returns exhibit the situation and standing of these institutions as per sworn statements of the officers whose duty it is to render the same. Twelve of the banks are located in Providence and three in Newport. The increase of capital during the year has been five thousand five hundred and fifty dollars. Reference is made to page 20, showing the aggregate of assets and liabilities, with a summary of other items; also to page 21, for description of stocks and bonds owned by the banks, and page 22, for a description and the amount of stocks held as collaterals for loans. Thirty-six institutions for savings are reported; the COVENTRY SAVINGS BANK, of Anthony, and SMITHFIELD SAVINGS BANK, of Greenville, having organized and commenced business during the year. In addition to former requirements under the old statutes, a provision in the *General Statutes* requiring the amount loaned on mortgages in other States, specifying the name of the State, has been complied with by these institutions. The names of depositors, with the amount of deposits which, for any reason, the treasurer believes will never be claimed, have not been rendered in any instance.

Reference is made to page 64, showing the aggregate of deposits and number of depositors; to page 65, for a summary of resources and liabilities; also to a table showing amount of deposits and number of depositors for the ten years from 1863 to 1872, on pages 66 and 67, made for a certain day in the months of November or December in each year. JOEL M. SPENCER, *State Auditor*.

The population of RHODE ISLAND in 1860 was only 174,260. It is now computed at 240,000, having savings deposits to the extent of $ 42,000,000, which is double the amount existing in the year 1867.

The Savings Banks of Rhode Island.

The deposits of each at the close of the years 1871 and 1872, and number of depositors.

Place.	*Name.*	*November*, 1871. *Deposits.*		*December* 6, 1872. *Deposits.*		*Depositors.*
Providence ..	Providence Inst. for Sav..	$ 5,709,083	..	$ 6,473,672	..	17,744
" ..	People's Savings Bank...	3,683,967	..	3,871,226	..	6,367
" ..	Mechanics' Savings Bank	4,018,237	..	4,715,587	..	8,300
" ..	Franklin Inst. for Savings	2,571,361	..	2,784,573	..	6,894
" ..	City Savings Bank.......	2,008,820	..	2,231,054	..	3,253
" ..	Rhode Island Inst. for Sav.	687,708	..	537,146	..	1,093
" ..	Union Savings Bank.....	1,073,750	..	1,337,255	..	2,123
" ..	Cranston Savings Bank..	259,761	..	1,027,963	..	2,379
" ..	Citizens' Savings Bank..	52,026	..	100,149	..	358
" ..	Merchants' Savings Bank.	14,638	..	87,133	..	188
" ..	National Inst. for Savings	38,900	..	164,018	..	388
Anthony.....	Coventry Savings Bank..	*New.*	..	67,926	..	191
Ashaway	Ashaway Savings Bank..	6,906	..	25,897	..	217
Bristol	Bristol Inst. for Savings.	189,812	..	229,894	..	978
E. Greenwich.	E.Greenwich Inst. for Sav.	128,904	..	153,978	..	479
Kingston	Kingston Savings Bank..	172,298	..	209,777	..	493
Centreville...	Warwick Inst. for Savings	1,198,218	..	1,343,649	..	2,495
Newport.....	Newport Savings Bank...	2,753,591	..	3,201,674	..	4,685
"	Coddington Savings Bank	406,756	..	496,554	..	1,637
N. Providence	Providence Co. Sav. Bank	2,765,590	..	3,327,157	..	5,154
Pascoag	Pascoag Savings Bank...	437,510	..	530,045	..	925
Phenix	Phenix Savings Bank....	262,070	..	285,636	..	670
Pawtucket ..	Pawtucket Inst. for Sav..	1,672,652	..	1,933,536	..	3,748
" ..	Franklin Savings Bank..	970,476	..	1,169,833	..	2,157
Wakefield ...	Wakefield Inst. for Sav...	237,408	..	266,855	..	714
Warren......	Warren Savings Bank...	391,625	..	480,943	..	1,194
Westerly	Westerly Savings Bank..	743,651	..	809,604	..	2,025
"	Niantic Savings Bank...	135,375	..	228,394	..	705
Wickford	Wickford Savings Bank..	399,192	..	437,936	..	1,044
Woonsocket .	Woonsocket Inst. for Sav.	2,345,294	..	2,677,295	..	6,612
" .	People's Savings Bank...	401,420	..	470,089	..	1,049
" .	Citizens' Savings Bank..	325,430	..	357,930	..	743
" .	Producers' Savings Bank.	173,020	..	224,884	..	457
Wyoming....	Hopkinton Savings Bank.	75,254	..	155,198	..	597
Westerly	Mechanics' Savings Bank	75,405	..	129,034	..	470
Greenwich ..	Smithfield Savings Bank.	*New.*	..	40,041	..	138
	Totals, 36 Savings Banks.	$ 36,385,108	..	$ 42,583,535	..	88,664

The progress since the year 1863 has been as follows:

				Depositors.		*Deposits.*		*Average.*
Totals,	25	banks, November,	1863,	37,774	.	$ 9,560,437	.	$ 253 09
"	25	" "	1864,	44,352	.	12,815,097	.	288 94
"	25	" "	1866,	52,126	.	17,751,713	.	340 55
"	25	" "	1867,	59,071	.	21,413,648	.	362 50
"	25	" "	1869,	67,238	.	27,067,072	.	402 55
"	25	" "	1870,	72,891	.	30,758,501	.	421 29
"	34	" "	1871,	80,076	.	36,385,108	.	454 37
"	36	" "	1872,	88,664	.	42,583,535	.	480 03

The number of depositors has increased in ten years from 37,774 to 88,664, and from an average of $253.09, for each in 1863, to $480.03 at the close of the year 1872.

SAVINGS BANKS OF NEW HAMPSHIRE.

REPORT OF THE BANK COMMISSIONERS, MAY, 1873.

To his Excellency the Governor of the State of New Hampshire:

We have the honor to submit the annual report of the Bank Commissioners for the year ending May, 1873. During the year seven new savings banks have commenced operations. These are the ASHLAND, COCHECO, GORHAM, LOAN AND TRUST, WOLFEBOROUGH, FITZWILLIAM, and SANDWICH, making the total number of savings banks now in operation under the laws of the State sixty-one.

These sixty-one have deposits amounting to......	$ 28,462,539 98
And an aggregate surplus of....................	1,296,242 29
	$ 29,758,782 27

Showing an increase of deposits during the year of $ 3,814,321.40, and an increase of depositors, 7,875.

The very rare circumstance of a defalcation among NEW HAMPSHIRE banks has occurred during the past year, at the EXETER SAVINGS BANK, which appears to have been robbed by the treasurer of about $ 112,000. Upon hearing of the treasurer's flight the Commissioners proceeded to examine the bank, and finding its condition, petitioned Justice DOE for an injunction to prevent the bank doing further business, and for the appointment of receivers to take charge of its remaining effects, for the equitable benefit of its depositors. An injunction was issued, and Hon. JOSEPH F. WIGGIN and WOODBRIDGE ODLIN, Esq., were appointed receivers. The Commissioners have full faith that the interest of the fifteen hundred and ninety-three depositors of the bank will be well cared for, and such measures taken as the trustees and depositors shall mutually agree upon as best.

The SALMON FALLS BANK is the only State bank doing business. The FARMINGTON BANK having paid out ninety-seven per cent. of its capital, and having between two and three hundred dollars cash, awaits the collection of seventeen thousand dollars of slow and doubtful debts, and the expiration of its charter.

They present herewith an abstract of these sixty-one savings banks, by which it will be seen that their total resources at date of examination amounted to $ 29,671,114, being an increase of resources over previous years of $ 4,533,897, after deducting the loss at Exeter.

They also give a statement of the condition of the SALMON FALLS BANK, with such tables and remarks as seem proper.

The foregoing statements are embodied in written answers to interrogatories, and are signed and sworn to by the Treasurers and Cashiers, in addition to a careful examination by your Commissioners of the funds and books of the banks, institutions for savings and the loan and trust associations organized under the general statutes, and doing business in the State at the date of examination, 1873, as stated in the several reports.

Of the State banks only the SALMON FALLS remains, and that is a most worthy and well-managed institution of a past era.

The examinations, which extended over some considerable time, and embraced records, books, notes and mortgages, collateral securities, and stocks and bonds, and a close inspection of the several safes and vaults, were in most instances highly satisfactory, and the courtesies extended to the Commissioners by the bank officers, when other business oftentimes demanded their attention, is worthy of grateful remembrance.

In all cases the officers of the banks, especially the Treasurers, courted and seemed gratified with the most searching investigation. It is evident that where the same man is Cashier of a National bank, and Treasurer of a savings bank, that the examination of either might be made a farce, inasmuch as a dishonest officer might produce the securities of either bank as the property of the other. Hence the Commissioners made an arrangement with the National bank examiner that wherever National banks and savings banks had the same Cashier and Treasurer, they should be examined together and produce all the securities of both banks at the same time, and the examination of such banks was made in this way. This plan was satisfactory to the National bank examiner, and to the several treasurers who offered every facility for its accomplishment.

Your Commissioners conceive that the first duty of a savings bank is to securely invest the savings of those in moderate circumstances, which may be intrusted to their care, and upon due notice return the same with a fair rate of interest. Honesty in such officers is the first requisite, while ability, diligence and accuracy are of vast importance. Savings banks created by the State and having in charge the money of its citizens should in the first place be careful to accommodate its citizens, in their respective localities, with loans, and have an eye to the welfare of the section from which come their deposits, and the building up of the cities and towns thereof. It is evident that the resources of such localities are developed by such facilities, and that there is a consequent depression in business when they are deprived of them.

Your Commissioners regret to see in this connection the diminished amount of loans on real estate. They consider such loans, judiciously made, among the best, and that they should hold a conspicuous place in the investments of the banks. So long as all classes of our citi-

zens pay more than six per cent. for the use of money, it is respectfully suggested that it might be well to so modify the usury laws, that by agreement in writing, at the time of the contract, any rate, not exceeding $7\frac{3}{10}$ or 8 per cent. per annum, might be taken by lenders. As the law rate now is, banks are not willing to loan on mortgages at six per cent., and generally consider it injudicious to take more on that class of loans, it would be well to induce banks to give such loans preference over others, till at least a prominent portion of the investments are of this class. It is noticeable in aggregating the banks' business that with nearly $ 30,000,000, their loans in the State (excluding investments) are only $ 11,000,000, and that only five thousand nine hundred and seventy-three parties in the State are accommodated with loans not exceeding $ 1,000 each, and yet we gladly notice the fact, and think those banks should have full credit where with deposits of from one hundred thousand to half a million, they show loans of the above description to numbers ranging from six hundred and sixty to three hundred.

The tendency of banks is to invest in Western loans and securities. The continual demand of the depositors for large dividends, coupled with rivalry among the banks, to make as large a surplus exhibit as possible, induces the investigating committee to look beyond the State for the high rates of interest offered, especially when 6 per cent. is the highest rate legal at home. It is deemed by the Commissioners that this has a tendency to weaken the security of the institutions, besides being detrimental to other interests of the State.

Depositors demanding great dividends of their banks should remember that they are virtually urging their bank officers to take heavy risks. It is believed that, in the long run, those banks and bankers have been most successful who have looked more to due securities than extraordinary rates of interest.

It is evident that the treasurer of a savings bank should never be indebted to the bank, either directly or indirectly, except upon the official bond, and it would seem advisable that such bond be approved of by the trustees in writing on the bond, and be lodged with the president, and safely kept by him beyond the reach or care of the treasurer, and that a copy, attested by the president, be forwarded by him to the Secretary of State.

The law passed June session, 1872, relating to the examinations by trustees, twice a year, and quarterly when the deposits exceed half a million of dollars, has been generally complied with to the satisfaction of the Commissioners; but with all due deference to the law makers, they fail to see that a statute requiring a majority of the trustees to quarterly or semi-annually thoroughly examine and report the condition of their respective banks to the Commissioners, is advisable or, in all cases, practicable. Most of the banks have a large number of trustees, and it is oftentimes very inconvenient, sometimes impossible, to get them together at an examination. Many of the good and able men of our State who are called to such positions of trust, neither spent their youth in schools, nor have passed their time

poring over ponderous ledgers. Besides, their time is occupied and to them precious, and when it is considered that there are perhaps seven hundred trustees of savings banks in the State, and that some four hundred men are thus called quarterly or semi-annually, without compensation, to such laborious tasks as the faithful examination of large banks, the onerousness of their duties under the law will be perceived. Would it not be more practicable, and fully as advantageous to the depositors of the banks, for the trustees, at a meeting called for that purpose, to choose a committee of not less than three to make such examination, and report, and receive therefor such reasonable compensation as the trustees deem proper. The law is silent upon the point of the reports being made under oath. It would be well that such returns be sworn to.

Your Commissioners also think that all property left as collateral with the bank should be specified in or upon the note, for the protection of the borrowers and the information of whoever examines the bank, otherwise such collateral might be appropriated to cover any deficiency at time of an examination. It is neither safe, for obvious reasons, nor in our opinion proper, for the private funds of individuals to be deposited in the vaults of the savings banks for safe keeping.

It would seem that no one, however little accustomed to business experiences, with even a casual examination of the preceding pages of this report, can fail to realize, in some degree at least, that the interests of our savings banks are assuming greater magnitude each successive year. While commending those officers who have faithfully performed what we deem a sacred duty, we cannot urge too strongly upon the trustees and all examiners the importance of so attending to their trusts that no safeguard shall be omitted for the protection of the funds committed to their care. The sixteen hundred sufferers on account of the defalcation of the treasurer of the Exeter Savings Bank appeal loudly to those who have in charge the savings of the widow and the orphan, to perform with fidelity their trusts, and such crime renders it imperative that those who accept the responsibilities connected with these institutions be held to a strict accountability.

J. D. Lyman,
M. R. Emerson,
Buel C. Carter,
Bank Commissioners.

Concord, May 20, 1873.

The miser's motive is meanly sordid and selfish. But the thrift which husbands capital is not likely to be engendered by a merely selfish and sordid motive. It is a product far more of the domestic than of the selfish instincts of mankind. A man's mere selfishness is not often found in practice to be sufficiently far-sighted to keep up the long effort of present self-denial for a distant gain. It is the domestic instinct—the love of home and family, and an honest place in society—which furnishes the strongest motive, and hence it is in practice that amongst the working classes there is little danger of saving becoming a vice. It means the curbing of vices, and not their indulgence.—*Edinburgh Review.*

The Savings Banks of New Hampshire.

Amount of deposits in 1871 and 1872, and number of depositors in 1872; and date of charter of each.

Year.	Place.	Name of Bank.	1871. Deposits.	Year 1872. Deposits.	Year 1872. Depositors.
1869	Alton	Alton Five-Cent Sav. Bank	$5,741	$7,603	104
1872	Ashland	Ashland Savings Bank	*New.*	12,191	112
1831	Charlestown	Connecticut River Sav. B'k	231,118	244,800	1,162
1838	Claremont	Sullivan Savings Institution.	619,126	764,325	2,142
1872	Concord	Loan & Trust Savings Bank.	*New.*	141,391	357
1867	"	National Savings Bank	1,429,193	1,579,829	4,232
1830	"	New Hampshire Savings B'k	982,492	1,088,985	3,410
1870	"	Merrimack Co. Savings Bank	132,743	192,772	665
1869	Conway	Conway Savings Bank	25,712	51,894	221
1870	Derry	Derry Savings Bank	21,727	36,558	168
1824	Dover	Savings Bank of Strafford Co.	1,593,220	1,866,069	4,643
1872	"	Cocheco Savings Bank	*New.*	17,592	150
1856	"	Dover Five-Cent Savings B'k	375,017	393.521	2,041
1869	East Jaffrey	Monadnock Savings Bank	39,034	74.204	265
1851	Exeter	Exeter Savings Bank	359,530	402,517	1,500
1868	"	Union Five-Cent Sav. Bank.	49,531	56,336	622
1868	Farmington	Farmington Savings Bank	130,110	149,392	860
1869	Fisherville	Pennacook Savings Bank	132,480	198,192	1,281
1871	Fitzwilliam	Fitzwilliam Savings Bank	*New.*	5,569	56
1868	Francistown	Francistown Savings Bank	104,166	107,976	442
1869	Franklin	Franklin Savings Bank	119,401	209,732	700
1868	Freedom	Ossipee Valley Ten-Cent S.B.	35,844	52,964	247
1872	Gorham	Gorham Five-Cent Sav. B'k.	*New.*	5,467	147
1845	Great Falls	Somersworth Savings Bank	464,138	581,478	2,100
1860	Hanover	Dartmouth Savings Bank	265,917	303,218	1,500
1833	Keene	Cheshire Provident Inst.	1,553,656	1,672,849	5,860
1868	"	Keene Five-Cent Sav. Bank.	291,313	418,888	3,067
1831	Laconia	Laconia Savings Bank	474,931	533,411	2,042
1868	"	Belknap Savings Bank	256,630	336,912	775
1864	Lake Village.	Lake Village Savings Bank	65,443	101,567	550
1868	Lancaster	Savings Bank of Coos Co.	21,268	27,717	285
1869	Lebanon	Lebanon Savings Bank	178,043	305,979	1,065
1868	Littleton	Littleton Savings Bank	8,091	63,008	366
1852	Manchester	Amoskeag Savings Bank	2,691,498	2,982,454	7,500
1846	"	Manchester Savings Bank	2,110,870	2,326,079	5,002
1858	"	Merrimac River Savings Bank	1,337,374	1,346,896	3,950
1859	"	City Savings Bank	530,900	562,068	1,900
1870	Mason	Mason Village Savings Bank.	5,198	18,252	160
1869	Meredith	Meredith Village Sav. Bank	53,120	79,922	395
1859	Milford	Milford Five-Cent Sav. Bank	414,150	458,818	1,442
1854	Nashua	Nashua Savings Bank	1,225,136	1,440,779	3,151
1863	"	City Savings Bank	1,103,826	1,016,377	2,800
1869	"	Mechanics' Savings Bank	200,966	325,242	823
1849	New Ipswich.	New Ipswich Savings Bank	101,154	103,882	320
1832	New Market.	New Market Savings Bank	36,867	40,434	579
1868	Newport	Newport Savings Bank	152,611	213,348	919
1859	Peterboro	Peterboro Savings Bank	567,822	566,001	1,717
1855	Pittsfield	Pittsfield Savings Bank	93,640	128,594	600
1823	Portsmouth	Portsmouth Savings Bank	1,716,387	1,937,899	9,000
1867	"	Rockingham Ten-Cent S. B.	356,822	425,348	3,096
1871	"	Trust & Guarantee Co,	160,051	349,975	468
1851	Rochester	Norway Plains Savings Bank	556,410	573.536	1,50
1864	"	Gonic Five-Cent Sav. Bank	46,530	40,101	168
1850	Rollinsford	Rollinsford Savings Bank	551,120	636,510	1,627
1872	Sandwich	Sandwich Savings Bank	*New.*	26.286	148
1869	Pembroke	China Savings Bank	20,721	44,649	312
1870	Tilton	Iona Savings Bank	66,928	98.744	341
1864	Wilton	Wilton Savings Bank	90,856	92,261	553
1855	Winchester	Ashuelot Savings Bank	96,490	102,740	675
1857	Wolfeboro'	Carrol Co. Five-Cent Sav. B'k	446,680	491,349	2,600
1871	"	Wolfeborough Savings Bank.	*New.*	28,860	94
		Totals, 61 *Banks*	$24.700,744	$28,462,310	94,967

The progress of savings banks in New Hampshire since the year 1848 to the close of 1872 is shown in the annexed summary:

Year.		*No. of Banks.*		*No. of Depositors.*		*Amount of Deposits.*		*Average.*
1848	..	9	..	12,424	..	$1,619,689	..	$130.36
1850	..	12	..	13,031	..	1,641,543	..	126.97
1852	..	15	..	15,771	..	2,009,617	..	127.42
1854	..	16	..	20,145	..	3,222,261	..	159.95
1856	..	19	..	23,489	..	3,537,363	..	150.59
1858	..	21	..	23,463	..	3,588,658	..	152.94
1860	..	26	..	30,828	..	4,860,024	..	157.65
1862	..	27	..	35,920	..	5,653,585	..	157.39
1864	..	28	..	43,175	..	7,661,738	..	177.45
1865	..	29	..	43,572	..	7,831,335	..	179.33
1866	..	29	..	42,894	..	7,857,601	..	183.18
1867	..	28	..	47,792	..	10,463,418	..	218.77
1868	..	31	..	55,218	..	13,541,534	..	245.12
1869	..	38	..	62,931	..	16,379,857	..	260.28
1870	..	45	..	71,536	..	18,759,461	..	262.25
1871	..	54	..	86,791	..	24,700,744	..	284.59
1872	..	61	..	94,967	..	28,462,310	..	299.70

ANNUAL REPORT ON THE SAVINGS BANKS OF THE STATE OF CONNECTICUT.—*January*, 1873.

To the Honorable the Legislature of the State of Connecticut:

The undersigned, your Bank Commissioner, having performed the duties devolving upon him, would respectfully submit the following report:

Savings Banks.

The number of savings banks doing business under the laws of this State, on the first day of January, 1873, were (78) seventy-eight, of this number (6) six were chartered by the Legislature of 1872, and are as follows, viz: The Brooklyn Savings Bank, the Canaan Savings Bank, the Dime Savings Bank of Willimantic, the Stafford Savings Bank, the Workingmen's Five-Cent Savings Bank of Hartford, and the Woodbury Savings Bank.

The Bethel Savings Bank is closing up its affairs, and is not included in the number of banks doing business January 1st, 1873.

Three savings banks, chartered by the Legislature of 1872, and one by the Legislature of 1871, have not yet commenced business; they are as follows, viz: The East Bridgeport Savings Bank, the Milford Savings Bank, the Operatives' Savings Bank of New Haven, and the Seymour Savings Bank.

The condition of the savings banks of the State on the first day of January, 1873, and a comparison with their condition on the first day of January, 1872, will be shown by the following statement:

Assets.

	1872.	1873.	*Increase.*
Loans on real estate	$ 38,625,514 50	$ 43,174,015 14	$ 4,548,500 64
" stocks and bonds	4,461,499 54	4,384,276 90	——
" personal security	4,014,913 56	5,111,541 78	1,096,628 22
Invested in bank stock	3,100,634 82	3,375,977 77	275,342 95
" R. R. stocks and bonds	1,294,205 75	1,378,415 80	84,210 05
" United States bonds	5,336,154 88	4,771,970 25	——
" Real estate	429,154 86	423,342 33	——
" Town, City & State bonds	6,206,402 72	6,897,297 83	690,895 11
Cash on hand	1,521,529 45	1,567,334 86	45,805 41
Other assets	317,459 82	187,222 44	——
	$ 65,307,469 90	$ 71,271,395 10	$ 6,741,382 38
Less decrease in loans on stocks and bonds, in U. S. bonds, in real estate, and in amount of other assets			777,457 18
			$ 5,963,925 20

Liabilities.

Deposits	$ 62,717,814 77	$ 68,523,397 88	$ 5,805,583 11
Other liabilities	81,705 72	161,046 96	79,341 24
Surplus	2,507,949 41	2,586,950 26	79,000 85
	$ 65,307,469 90	$ 71,271,395 10	$ 5,963,925 20

This statement shows that our savings banks held on the first day of January, 1873, assets to the amount of $ 71,271,395.10, with liabilities to their depositors of $ 68,684,444.84, leaving a surplus of $ 2,586,950.26. They held on the first of January, 1872, assets to the amount of $ 65,307,469.90, with liabilities of $ 62,799,520.49, and a surplus of $ 2,507,949.41, being an increase during the year of $ 5,884,924.35 in their liabilities to depositors, and of $ 79,000.85 in the amount of their surplus.

The whole number of depositors to whom this amount is due, compiled from reports rendered to me on the first day of January, 1873, was 201,742; and the number of depositors to whom the banks owed less than $ 500 each, was 157,821; the number whose balance was more than $ 500, and less than $ 1,000 each, was 27,373; and the number to whom the banks owed more than $ 1,000 each, was 16,548.

The whole number of persons that have made savings banks the custodians of their funds during the existence of the present banks was, January 1st, 1873, 541,887, a number larger than the entire population of our State, according to the census of 1870.

The whole amount deposited in our savings banks the past year, was $ 21,864,553, including interest credited to depositors, and the amount withdrawn was $ 15,979,628.

The whole amount of dividends, or interest credited to depositors, was, during the year, $ 3,847,017. The whole amount of taxes paid, was $ 622,479.22, being to the State $ 448,567.16, to the United States $ 173,912.06. And the whole amount of expense incurred in the transaction of the business of savings banks, exclusive of taxes, was $ 202,042.39.

An examination of the preceding statement of the condition of our savings banks will disclose the fact, that the funds of these institutions are, in the aggregate, well invested, they having loaned $43,174,015, or 60 per cent. of their whole liabilities, on the first mortgage of real estate in this State, the balance of their funds being invested in, or loaned on, securities more readily realized upon than loans on real estate.

They hold $1,378,415.80 of railroad bonds, some of which are not immediately available to meet the demands of depositors; they held last year $1,294,205.75, an increase, during the year, of $84,210.05. An increase due mainly to purchases on the part of banks, who have the special privilege to invest in such bonds, and the increased valuation at which they report bonds held last year.

Your Commissioner is very strongly of the opinion that the privilege of investing the funds of savings banks in the bonds of railroad companies, is a dangerous one, and, if granted, would inevitably result in loss. It would be the bonds of new and unfinished companies that would present the greatest temptation to savings bank managers, by the low prices at which they are offered, and by the large commissions allowed to agents, and such bonds the developments of the last few years have proved not to be a safe investment, at least for the savings of the poor.

It is gratifying to discover a disinclination to favor the granting of this privilege, one that has been so often sought of the legislature, among the managers of savings banks in our State at the present time.

The importance, to the welfare of the State, of prudent management on the part of those who control savings banks, is very apparent. They hold the funds of 201,742 persons, about 39 per cent. of the whole population of our State, and of this number 157,821, owning each a balance of less than $500, are of a class to whom the loss of the whole, or any portion of, or the failure to receive regular dividends from, this amount, would be a serious disaster.

There is no moneyed interest of our State of equal magnitude, and none with the prosperity of which the people of the State are so intimately connected.

This is shown, not only by the large number of persons who are creditors of these institutions, but is also shown by the number of our people who are debtors.

The welfare of these last, being nearly as closely associated with the stability and permanence of our savings banks as the first. It is shown by the statement previously given, that our banks have loaned on the mortgage of real estate, $43,174,000; the proportion of the real value which they loan is never more than one-half, and generally somewhat less. It is therefore probable that our banks hold a first mortgage on real estate, valued at $100,000,000 in our State. This real estate consists, to a great extent, of the homes of people of moderate means, who, stimulated by the opportunity afforded by savings banks to utilize small savings, have accumulated a small sum, and bor-

rowing of a savings bank an amount in addition sufficient to obtain a home, with the implied understanding between them, that with the prompt payment of the interest, on the part of the debtor, the principal can remain unpaid, until, by the habit of saving already acquired, the debt can be paid.

The importance to the borrower of the pursuit on the part of savings banks, of a policy that will tend to the permanence of this relation, is at once apparent. And why is it not true that our savings banks are under obligations to the State, which created them, to continue this condition of affairs?

By so doing they are the instruments by which real taxable property is created, our towns and cities built up, and, by engendering habits of economy and sobriety among the people, advance the prosperity of the whole State.

That this obligation, first to the depositor, to provide a safe place of deposit for small sums, and next to the borrower, to loan money for the procuring of a home, or the prosecution of any legitimate enterprise, at a rate of interest consistent with their duties to their depositors, is generally recognized by our savings banks, is shown by the statements made previously. Yet, it is obvious, by the course some of our banks have pursued during the last six months, that a perverted sense of their obligations to both parties, exists to some extent.

Since the repeal of the usury law, some ten or twelve of our savings banks have advanced their rate of interest on their real estate loans to eight per cent., the rate previously being six per cent., and the State and Government taxes. The reasons given for this course being that the repeal of the usury law would lead to the withdrawal of money by their depositors, with the expectation of employing it at higher rates of interest, and that for their own protection they must increase their rate of dividends. The fallacy of this reasoning is shown by the large increase in the amount of deposits during the year past, notwithstanding the remarkable stringency of the money market.

And, will not these fears of the withdrawal of deposits always be groundless, if the use of our savings banks by persons of wealth, and by those who are able to take care of their own means, is not encouraged?

Savings banks are not chartered for the purpose of making large profits, but to keep money absolutely safe, and in striving for large profits by increased rates on loans on real estate do they not impair the ultimate security of such loans?

It appears to be a fact to your Commissioner, that borrowers on real estate, especially borrowers with small means, the loaning to whom by savings banks has been of incalculable benefit to our State at large, cannot afford to pay so high a rate, especially as they are not allowed by law to deduct the amount they owe to savings banks, from the amount assessed them for taxation. In many localities this makes the rate actually paid by the borrowers ten per cent. This

rate is more than the profits of any business can pay, for a series of years, and I submit, that, by disregarding their obligations to this class of persons they retard the growth of our State, and, which follows from this, impair the security of their loans, and fail to fulfil their duties to the State.

It is evident that this action has aroused a feeling of doubt in many minds, of the wisdom of the repeal of the usury law, and a demand for either a re-enactment of a usury law, or a law restricting savings banks in their charges on real estate.

The re-enactment of a usury law your Commissioner does not consider within the province of his duties to discuss, but would say, that the time has been very short since the repeal, not adequate, it would seem, for the effect on the prosperity of our State of free-trade in money to be shown, and that, during this time, many causes have been in operation calculated to produce extreme stringency in the money market, and, consequently, high rates of interest, and further, that the rates for money in our State have been governed by the rates in New York city, where a usury law is in force.

A law restricting the savings banks in their charges on real estate, your Commissioner believes would be conducive to the best interests of the banks themselves, and to the State at large.

The enormous transactions of our savings banks are worthy of notice, they having during the year received on deposit simply, including dividends declared, $ 21,864,553, and have disbursed to depositors $ 16,058,992; operations incident to the loaning of their funds are also in the aggregate very large. They have declared dividends to the amount of $ 3,847,017, paid to the State taxes to the amount of $ 448,567, to the United States Government $ 173,012; and the expenses incurred, including salaries, are only $ 202,042, about 5 per cent. of the amount of their dividends.

The conduct of so large a business without loss or confusion, the keeping of so many accounts as appear on their books, requires the services of experienced men, and the use of the most perfect system of book-keeping. Your Commissioner would bear witness to the carefulness displayed, and the excellent system of book-keeping adopted by most of the banks. There are, however, some exceptions to this state of affairs, one case being so culpable a neglect of duty, on the part of the treasurer, as to make the interference of the Commissioner imperative.

In this instance, no cash account was kept at all, and the funds of the institution were kept with the private funds of the treasurer, he himself keeping no private cash account; no ledger account being kept of his earnings, or his loans, and, indeed, no ledger accounts at all were kept except with individual depositors. His practice being, at such times as it was necessary for him to make a statement of the condition of the bank, to ascertain, from his ledger, the aggregate balance due his depositors; from a memorandum book the amount of interest received, and expenses paid; and having no account by which he could determine what his assets should amount to, if there was

any excess in his assets over what was called for by this process, he claimed such excess as his own private property.

It will be seen that great injustice was liable to be done to depositors by so loose a manner of keeping the accounts of the bank, as no errors could be detected without a cash account, and in the event of any neglect to enter a deposit, or interest received, the amount not entered would inure to the benefit of the treasurer himself. Your Commissioner ascertained as nearly as possible from the meagre records kept, the actual condition of the bank, finding the liabilities to be considerably larger than was stated by the treasurer in his last report, and opened books on the proper system, and insisted that such a system should be pursued; if not done, it will clearly be the duty of your Commissioner to take further action in the case.

It has been necessary during the year to institute proceedings to close up the affairs of the STAFFORDVILLE SAVINGS BANK, a small bank, with liabilities of $ 120,000.

Through losses incurred by the depreciation of $ 30,000 South Minnesota R. R. bonds purchased several years ago, and the failure of the firm of STANFIELD, WENTWORTH & Co. of Boston, the bank became unable to pay its liabilities in full, and, as a feeling of distrust was aroused among the depositors, on consultation with His Excellency the Governor, it was thought that the wisest course to protect the interest of all the depositors was to close its affairs.

On application to counsel it was thought that the statute authorizing the Bank Commissioners to proceed for the forfeiture of the charter of a bank did not apply to savings banks, and that the best course was for the bank to make a voluntary assignment. This was accordingly done.

Your Commissioner would here suggest the propriety of the passage of a law, prescribing the duties and authority of bank commissioners with reference to savings banks, in this respect.

The losses of this bank resulted from investments and loans made contrary to law. It was located in a manufacturing village, built up by its former treasurer, who was instrumental in obtaining its charter for the benefit of his employees.

It was found difficult to make loans on real estate, and to keep its funds employed, the Treasurer borrowed from the institution to use in his own business, from time to time, until, when visited by the present Bank Commissioner, in company with his superior in office, the preceding Bank Commissioner, the amount so borrowed by him amounted to nearly $ 30,000. He had also, as he stated, by the advice and consent of his President and Trustees, invested $ 30,000 in South Minnesota railroad bonds.

He was informed that in both cases he had violated the law regulating the investments of savings banks, and that he must repay the amount borrowed by himself, and he was advised to sell the railroad bonds. With regard to the first, he stated his willingness to comply with the request; with reference to the latter, as the bonds had somewhat depreciated in price, he thought he had better hold them until

such time as he could dispose of them to better advantage. Ere he could fulfil his promise to repay his own indebtedness his death occurred, his estate paid the amount due, giving for a portion of the sum, STANFIELD, WENTWORTH & Co's acceptances; before these became due, the Boston fire occurred, and the firm failed, and, by their failure, rendering insolvent the estate of the former treasurer of the bank.

This left the bank, with the obligation of this firm, and the estate of its former treasurer, to the amount of $ 13,500, and $ 30,000 of the bonds of the railroad company before mentioned, the value of this last depends upon the future development of the road, but it is probable the loss from all sources will not exceed 10 per cent. of the amount of its deposits.

A law of the State authorizes any savings bank holding deposits to the amount of $ 500,000, to pay to its president a salary for his services. Parties interested in savings banks have called attention to the fact that there is no limit to the amount that can be paid, named in the law, and suggesting that a definite sum should be stated in the law, and requesting your Commissioner to recommend an amendment to that effect. It is true that, as the law now stands it is open to abuse by designing men. It is, also, probably true that the amount the wisdom of the Legislature would see fit to make the limit, would exceed the sum now received by presidents of such banks in our State.

Several savings banks still continue the practice of buying single name paper in the market, and, during the year past, have been very fortunate in having met with few losses, but it appears to your Commissioner, that the best interests of such banks, and all others in the State, would be served if the practice was prohibited.

The combining of the legitimate business of a savings bank with that of ordinary banks of discount and business deposit, is a practice much to be deprecated. A few savings banks in our State persist in departing in this way from the objects they were created to accomplish.

Your Commissioner has reason to hope that another year will see this course abandoned throughout the State, and never resumed.

The whole amount of deposits held by our savings banks averages to each person in the State $ 127.50, and to each depositor $ 340.

It is important that safeguards and restrictions be established about this large system by the Legislature, adequate to the protection of its interests, in our State.

Copies of the reports of savings banks, showing in detail their resources and liabilities, and a condensed statement of the total resources and liabilities of all the savings banks, will be found appended to this report.

Banks of Discount.

There are but four institutions doing business under the laws of the State, as banks of discount.

They are as follows, viz.: The State Bank, of Hartford, the Connecticut River Banking Co., of Hartford, the City Bank, of New Haven, and the Mechanics' Bank, New Haven. These institutions are under the management of competent men, and deprived as they are of the benefits to be derived from the circulation of their own notes, are doing a safe, careful, and profitable business. One of their number, the Connecticut River Banking Co., has, during the year, sustained some loss from the dishonesty of a clerk, who would take from the files, checks of dealers with the bank, previously paid, charged, and canceled, and charge them a second time, selecting the checks of parties whose balances were large, and in whose accounts the changes were frequent, a change in which, therefore, not as likely to be noticed by the officers of the bank, would take the money to correspond with these charges from the drawer, for his own use.

Before this practice was discovered, he had obtained some $12,000, and fled from the State. He was arrested at Chicago, brought back, and put under bonds for trial, but escaped trial and punishment by forfeiting his bail. The bank recovered some portion of the money at the time of his arrest, together with numerous articles of jewelry, in the purchase of which, and in fast living, the money stolen was principally squandered, and the loss resulting to the bank was not very heavy.

It is obvious that in the interests of public morality, such offenders in our State should be made to suffer the penalties of the laws they transgress.

Copies of the quarterly returns of the above banks are appended to this report.

Trust Companies.

The number of chartered trust companies in operation on the 1st day of January, 1873, was eight (8).

These institutions, by a law enacted by the Legislature of 1872, were required to make quarterly returns to the bank commissioner. Copies of these returns are appended to this report.

Trust companies have become the depositories of large sums, and are transacting a large business.

An examination of their affairs shows them to be well managed, and their business confined to the sphere of legitimate banking.

Paying interest, as they do, on all sums left with them on deposit, extra vigilance must be exercised by the parties having these corporations in control, in order to combine profit with safety.

The Equitable Trust Company, of New London, with a branch in New York city, does not enter into competition with other banking corporations of the State, in the obtaining of deposits, and other branches of a regular banking business, although allowed to do so by its charter.

The object the managers of this company seek to attain, is the loaning of their own funds, on the mortgage of real estate, and, guaranteeing the payment of the amount loaned, sell the obligation of the borrower to other parties, receiving their compensation and profit by charging a certain per cent. for their guarantee.

The field they seek for their operations in loaning their funds, is principally the Western States, and in selling their securities, EUROPE.

This project was conceived by certain parties in our own State, in NEW YORK, and the West, and receiving their charter from our State, these parties have paid in a capital of $ 1,000,000, to be used in the way above indicated.

Their securities, so far as your Commissioner can determine, are worthy of the confidence of investors, and, with the character of the men connected with the company, would make the enterprise legitimate, and not calculated to bring our State into discredit.

There are three institutions in our State doing business as banking corporations, that were organized under the joint stock laws of our State.

They are as follows, viz.: The THOMPSONVILLE TRUST CO., the MERCHANTS' LOAN AND TRUST CO., of Rockville, with a branch at Willimantic, and the ELTON BANKING CO., of Waterbury.

These institutions, by an act of the last Legislature, were required to report to, and were made subject to the supervision of, the Bank Commissioner, in the same manner as chartered institutions.

Copies of the reports of these companies will be found appended to this report. These institutions are found to be doing a similar business, and fulfilling the same duties as our trust companies. They have cheerfully complied with the law making them subject to the inspection of the Bank Commissioner, giving him every facility to make his examinations satisfactory, although none of the institutions knew of the enactment of the law, until the Commissioner made his appearance.

The Legislature of 1872 passed an act requiring trust companies, and other banking corporations, to keep in their banking office gold and silver coin, or bullion, legal-tender notes, or National bank currency, or bonds of the UNITED STATES, to an amount of not less than one-tenth of all liabilities, except capital stock.

The gross liabilities of most of our banking corporations are swelled largely at times, by amounts due other banks on merely collection accounts, payable at certain specified times only, and, to meet which, they have the same amounts due them from other banks, at the same specified times. Your Commissioner would suggest the impropriety of requiring banks to keep a reserve of ten per cent. of such amounts, and would recommend the passage of an amendment to the law, releasing them from such a requirement, and also, the propriety of allowing a portion of such reserve to be kept in balances due them from banks in New York or Boston.

LUCIUS L. HOLMES,
Bank Commissioner.

The Savings Banks of Connecticut.

List of Savings banks in the State of Connecticut, January 1, 1873, with the deposits of each compared with January, 1872; also the number of depositors and date of charter.

Charter.	*Location.*	*Name.*	*January*, 1872. *Deposits.*	*January*, 1873. *Deposits.*	*January*, 1873. *Depositors.*
1862	Ansonia	Savings Bank of Ansonia	$193,200	$203,004	915
1863	Bethel	Bethel Savings Bank	*Closed.*	——	——
1842	Bridgeport	Bridgeport Savings Bank	2,630,470	2,781,223	7,189
1859	"	City Savings Bank	1,539,732	1,716,425	6,300
1860	"	People's Savings Bank	822,894	986,815	2,257
1870	Bristol	Bristol Savings Bank	118,093	191,089	965
1872	Brooklyn	Brooklyn Savings Bank	*New.*	23,942	131
1871	Chester	Chester Savings Bank	3,150	6,970	102
1858	Collinsville	Collinsville Savings Bank	97,163	107,414	522
1872	Canaan	Canaan Savings Bank	*New.*	4,364	21
1871	Cromwell	Cromwell Savings Bank	3,634	33,102	217
1849	Danbury	Savings Bank of Danbury	1,316,540	1,433,918	4,066
1866	"	Union Savings Bank	256,995	319,442	950
1864	Danielsonv'le	Windham Co. Sav. Bank	1,036,890	1,229,518	2,960
1851	Deep River	Deep River Savings Bank	268,988	286,482	1,043
1846	Derby	Derby Savings Bank	747,350	877,651	2,692
1871	Eastford	Eastford Savings Bank	3,030	19,003	185
1851	Essex	Essex Savings Bank	337,085	367,385	1,494
1854	Falls Village	Falls Village Sav. Bank	384,251	425,965	1,102
1851	Farmington	Farmington Savings B'k	1,213,100	1,273,271	2,741
1870	Greenwich	Greenwich Savings Bank	51,120	70,047	434
1850	Groton	Groton Savings Bank	507,520	532,459	1,466
1819	Hartford	Society for Savings	6,852,580	7,020,545	24,490
1858	"	State Savings Bank	1,423,965	1,599,317	4,467
1861	"	Mechanics' Savings Bank	842,871	977,045	2,389
1870	"	Dime Savings Bank	250,467	439,079	6,777
1872	"	Workingmen's 5-ct. S. B.	*New.*	5,614	330
1850	Litchfield	Litchfield Savings Bank	482,051	569,839	1,906
1861	Manchester	Manchester Savings Bank	*Closed.*	——	——
1851	Meriden	Meriden Savings Bank	975,556	1,165,210	3,603
1825	Middletown	Middletown Savings B'k	5,001,770	5,326,512	9,129
1858	"	Farmers&Mechanics'S.B.	1,975,422	1,911,179	3,650
1870	"	Dime Savings Bank	18,937	36,264	824
1870	Moodus	Moodus Savings Bank	24,135	44,548	363
1870	Naugatuck	Naugatuck Savings Bank	9,216	13,472	97
1862	New Britain	Sav. B'k of New Britain	496,814	606,904	2,238
1859	New Canaan	New Canaan Savings B'k	227,698	258,498	862
1870	New Hartford	New Hartford Sav. Bank	4,613	4,947	61
1860	New Haven	Townsend Savings Bank	3,582,754	3,698,014	15,000
1838	"	New Haven Savings B'k	3,504,543	3,732,438	11,078
1857	"	Connecticut Savings B'k	2,006,290	2,072,680	4,647
1866	"	National Savings Bank	523,986	567,552	1,470
1827	New London	Sav. B'k of New London	2,585,226	2,789,019	5,917
1867	"	Mariner's Savings Bank	362,210	494,045	1,132
1858	New Milford	New Milford Savings B'k	309,734	359,957	1,434
1855	Newtown	Newtown Savings Bank	176,095	188,147	684
1860	Norfolk	Norfolk Savings Bank	95,670	96,771	600
1849	Norwalk	Norwalk Savings Society	1,505,030	1,789,137	4,539
1824	Norwich	Norwich Savings Soctety	6,999,030	7,279,052	13,247
1858	"	Chelsea Savings Bank	2,287,042	2,549,739	4,897
1869	"	Dime Savings Bank	280,276	525,499	3,866
1865	Portland	Freestone Savings Bank	385,548	433,123	1,252
1862	Putnam	Putnam Savings Bank	837,171	946,376	3,610

THE SAVINGS BANKS OF CONNECTICUT—*Continued.*

Charter.	*Location.*	*Nam.*	*January*, 1872. *Deposits.*		—*January*, 1873.— *Deposits.*		*Depositors.*
1871	Ridgefield ...	Ridgefield Savings Bank	$ 4,716	..	$ 23,634	..	176
1858	Rockville ...	Savings B'k of Rockville	347,313	..	391,776	..	1,586
1870	" ...	People's Savings Bank..	50,014	..	83,202	..	403
1848	Salisbury....	Salisbury Savings Society	516,630	..	602,132	..	1,256
1860	Southington.	Southington Savings B'k	134,597	..	165,760	..	647
1860	South Norw'k	South Norwalk Sav. B'k	113,705	..	111,180	..	640
1854	Southport ...	Southport Savings Bank.	466,686	..	491,055	..	1,287
1858	Stafford Sprgs	Savings Bank of Stafford	323,492	..	354,036	..	1,248
1855	Staffordville .	Staffordville Savings B'k	146,347	..	119,573	..	539
1872	Stafford	Stafford Savings Bank..	*New.*	..	54,917	..	211
1851	Stamford	Stamford Savings Bank..	1,059,888	..	1,111,747	..	3,253
1869	"	Citizens' Savings Bank..	253,585	..	340,714	..	1,296
1850	Stonington ..	Stonington Savings B'k.	491,038	..	554,761	..	1,157
1869	Suffield	Suffield Savings Bank...	110,418	..	131,433	..	559
1865	Thompsonv'le	Thompsonville Sav. B'k.	100,347	..	135,488	..	731
1871	Thompson...	Dime Savings Bank.....	9,988	..	43,954	..	201
1841	Tolland	Savings Bank of Tolland	299,982	..	293,248	..	811
1871	Wallingford .	Dime Savings Bank.....	3,580	..	18,395	..	265
1850	Waterbury ..	Waterbury Savings Bank	1,288,786	..	1,362,240	..	4,500
1870	" ..	Dime Savings Bank.....	90,608	..	182,409	..	1,795
1860	Westport....	Westport Savings Bank .	68,840	..	74,330	..	351
1850	West Winsted	Winsted Savings Bank ..	583,222	..	660,657	..	2,632
1842	Willimantic .	Willimantic Savings Inst.	638,985	..	725,095	..	2,841
1872	" .	Dime Savings Bank.....	*New.*	..	12,704	..	306
1871	Windsor L'ks	Windsor Locks Sav. B'k	12,328	..	29,376	..	218
1868	Wolcottville.	Wolcottville Savings B'k	44,836	..	51,945	..	392
1872	Woodbury ..	Woodbury Savings Bank	*New.*	..	7,625	..	127
		Totals, 78 *banks*......	$ 62,717,814		$ 68,523,397	.	201,742

CONNECTICUT.—The growth of Savings banks in CONNECTICUT, since the year 1861, is shown in the following summary:

Year.	*No. of Banks.*	*No. of Depositors.*	*Amount Deposits.*	*Average.*
1861	—	97,144	$ 20,791,856	$ 214 03
1862	—	90,956	20,676,712	227 32
1863	49	105,476	23,486,386	222 67
1865	51	121,681	29,142,288	239 18
1866	50	107,572	27,319,013	253 96
1868	54	138,846	36,283,460	261 32
1870	58	165,692	47,904,834	289 12
1871	72	178,087	62,717,814	352 17
1873	78	201,742	68,523,400	339 65

That £ 90,000,000 a year are worse than wasted by the working classes may be true enough. That the same amount saved would make them capitalists is equally true. But between wasting and saving such a sum there is, in practice, a gulf, which is not to be taken at a leap. Take, for instance, the one item—£ 30,000,000 a year—a third of the whole amount—wasted in excess of drink and tobacco. That £ 30,000,000 is worse than thrown away—spent in poison, it may be, but it has been robbed from the necessary family allowance of beef and bread.—*Edinburgh Review, July*, 1873.

NEW SAVINGS BANKS.

Place.	*County and State.*	*Name.*
Bethel	Oxford County, ME.	Bethel Savings Bank.
Boothbay	Lincoln " "	Boothburg Savings Bank.
Houlton,	Aroostook " "	Houlton Savings Bank.
Lubec	Washington" "	Lubec Savings Bank.
Winthrop	Kennebec " "	Winthrop Savings Bank.
Ashland	Grafton County, N. H.	Ashland Savings Bank.
Dover	Strafford " "	Cocheco Savings Bank.
Fitzwilliam	Cheshire " "	Fitzwilliam Savings Bank.
Gorham	Coos " "	Gorham Savings Bank.
Concord	Merrimack " "	Loan and Trust Savings Bank.
Bridgewater	Plymouth Co., MASS.	Bridgewater Savings Bank.
Brookfield	Worcester " "	Brookfield Savings Bank.
Cambridge	Middlesex " "	North Adams Savings Bank.
Edgerton	Dukes " "	Dukes County Savings Bank.
E. Weymouth	Norfolk " "	East Weymouth Five-Cent S. B.
Holliston	Middlesex " "	Holliston Savings Bank.
Holyoke	Hampden " "	Mechanics' Savings Bank.
Lawrence	Essex " "	Broadway Savings Bank.
Monson	Hampden " "	Monson Savings Bank.
Orange	Franklin " "	Orange Savings Bank.
W. Stockbridge	Berkshire " "	Miners' Savings Bank.
Brooklyn	Windham Co., CONN.	Brooklyn Savings Bank.
Canaan	Litchfield " "	Canaan Savings Bank.
Hartford	Hartford " "	Workingmen's Five-Cent S. B.
Stafford	Tolland " "	Stafford Savings Bank.
Willimantic	Windham " "	Dime Savings Bank.
Woodbury	Litchfield " "	Woodbury Savings Bank.
Anthony	Kent County, R. I.	Coventry Savings Bank.
Providence	Providence Co., "	National Institution for Savings.
Greenwich	" " "	Smithfield Savings Bank.
Riverhead	Suffolk County, N. Y.	Riverhead Savings Bank.
Walden	Orange " "	Walden Savings Bank.
Whitestone	Queens " "	Whitestone Savings Bank.

New Savings Banks Chartered but not in Operation.

Place.	*County and State.*	*Name.*
Buckfield	Oxford County, ME.	Buckfield Savings Bank.
Ellsworth	Hancock " "	Hancock County Savings Bank.
Lisbon	Androscoggin Co., "	Lisbon Savings Bank.
Paris	Oxford " "	South Paris Savings Bank.
Tremont	Hancock " "	Tremont Savings Bank.
Bridgeport	Fairfield Co., CONN.	East Bridgeport Savings Bank.
Milford	New Haven Co., "	Milford Savings Bank.
New Haven	" " "	Operatives' Savings Bank.
Seymour	" " "	Seymour Savings Bank.
College Point	Queens County, N. Y.	College Point Savings Bank.
Port Richmond	Richmond " "	Port Richmond Savings Bank.

SAVINGS BANK LIENS.

The laws of NEW YORK provide that the claims of savings banks upon insolvent State banks, for deposits, are preferred debts, and are a lien upon the assets of the latter in case of insolvency.

An Act relative to savings banks or institutions for savings in the city and county of New York and county of Kings.

PASSED April 15th, 1853.

SECTION 2. It shall be lawful for any such savings bank or institution for savings to make temporary deposits in any bank or banking association, to an amount equal to ten per cent. of the actual cash capital stock paid in of such bank or banking association, and to receive interest thereon at such rates, not exceeding that allowed by law, as may be agreed upon; provided that all the deposits in any one bank or banking association shall not exceed in amount twenty per cent. of all the deposits belonging to such savings bank or institution for savings, and that no contract or agreement in relation to said deposits shall be for a longer period than one year.

SEC. 3. It shall not be lawful for any of such savings banks or institutions for savings to make any loans to any bank or banking association, exceeding the limits above prescribed, unless such savings bank or institution for savings shall require and receive of such bank, for all sums so deposited exceeding the limits above prescribed, such securities therefor, and equal in amount, as the comptroller or superintendent of the banking department is now lawfully authorized to receive in exchange for bills or notes for circulation; nor shall it be lawful for any trustee of a savings bank or institution for savings to be a trustee of more than one savings bank or institution for savings at the same time; nor shall the trustees of any savings bank or institution for savings hereafter to be incorporated be directors at the same time in any bank or banking association wherein any part of the moneys of said savings bank or institution for savings shall be deposited.

SEC. 4. All the assets of any bank or banking association, now or hereafter to be created, that shall become insolvent, shall, after providing for the payment of its circulating notes, be applied by the directors thereof, in the first place, to the payment of any deficiency that may arise on the sales of the securities aforesaid, and thereafter of any sum or sums of money deposited with such bank or banking association by any savings bank or institution for savings, within the range of twenty per cent., as provided in the second section of this act.

THE BANK OF ENGLAND.

From the London Times.

The bill introduced by the Chancellor of the Exchequer for authorizing, in certain contingencies, a temporary increase of the amount of Bank of England notes, has been printed. It provides that whenever the First Lord of the Treasury and the Chancellor of the Exchequer are satisfied that the *minimum* rate of interest then being charged by the bank is not less than 12 per cent., that the foreign exchanges are unfavorable to this country, and that a large portion of the existing circulation is rendered ineffective for its ordinary purpose by reason of internal panic, they may empower, in excess of the authorized issue, a special and temporary issue of notes in exchange for an equal amount of government securities, and that the bank shall pay to the government the profit of such issues, which is in no case to be less than 12 per cent. per annum, subject to a deduction of two per cent., which may be allowed to the bank for its expenses.

But for the evil of an example which teaches the public that it is the business of government to step to the rescue of improvident persons, and thus to check the wisdom which can be acquired alone by the rigid lessons of experience, anything more harmless than this measure could scarcely be conceived. Since the grand mistake of the first suspension of the act every one has known that a certain amount of pressure would infallibly induce the government again to tamper with it, and the signal for this pressure, according to common belief, would always be found in the existence of a ten-per-cent. rate.

Hence, assuming it to be hopeless to look for a period when men at the head of affairs will be possessed of sufficient logical courage to refuse the cry for émpirical action, and to point out the true modes of relief, some good may result from people being informed that they must wait for a twelve-per-cent. rate, and a condition of the foreign exchanges such as to render it certain that all the relief that can really be requisite is coming already from other sources. The provision that the profit of any extra issue that may be made is to go to the State, is obviously on every ground essential.

By an act of Parliament in 1872, the bank is authorized to re-elect seven-eighths of the directors annually, instead of two-thirds as heretofore.

THE LONDON CLEARING HOUSE.

The returns of the London clearing house for the year ending April 30, show transactions amounting to £6,003,335,000, equivalent in round numbers to thirty thousand millions of dollars, It is to the efforts of Sir JOHN LUBBOCK that the business world owes these returns. Unfortunately it is only since 1867 that they have been preserved, but they promise in the future to be in the highest degree instructive. It has come to be generally admitted that there is a kind of cycle in financial affairs, at least with a specie currency. First comes the quiescent or stagnant period, then the period of activity, then that of inflation and speculation, then that of panic and violent contraction, with a recurrence to the first condition. The elements involved in these changes are, apart from specie : first, the note currency, whether bank or government; second, the deposit currency, being the bank deposits; and third, the rapidity with which the first two kinds circulate. It will be found that the last element is by far the most important. Thus the figures of the London clearing house are for the year ending :—

April 30, 1868	....	£3,257,411,000	....	$16,000,000,000
" " 1869	....	3,534,039,000	....	17,500,000,000
" " 1870	....	3,720,623,000	....	18,500,000,000
" " 1871	....	4,018,464,000	....	20,000,000,000
" " 1872	....	5,359,722,000	....	26,500,000,000
" " 1873	....	6,003,335,000	....	30,000,000,000

Thus, while the note currency has remained nearly stationary, and the deposit currency has not increased probably more than twenty per cent., the clearings have nearly doubled. When the period of panic takes place these returns will doubtless decline, though not perhaps to the point of 1868; yet to very much below their present amount. If proof of this is wanting, it may be had in ample measure from the table of returns of the New York clearing house.

Mr. GLADSTONE has promised a commission of inquiry, at an early date, into the working of the BANK OF ENGLAND system, in which event such figures as the above will have the highest value and importance. We believe the English system of note currency to be as nearly perfect as can be expected in human institutions, with the slight exception, perhaps, that the issue department might be still more completely separated from the banking. The weak point in the English currency is the practically free system of deposit banking, without efficient check or regulation, and the salient point of attack lies just in these clearing-house returns. If you allow the heavy fly-wheel of a steam engine to attain to its maximum velocity, and then suddenly insert a bar between the spokes, a smashing will inevitably follow. The object to be attained is such a gradual slowing of the

revolutions as will preserve the machine, though with considerable friction, from actual breaking. The illustration is exactly applicable to these movements of banking. The English theory of applying this check through a steady rise in the rate of interest is perfectly sound, but unfortunately it is neutralized in practice by the defective conditions of English banking. Mr. PALGRAVE, in a paper read before the Statistical Society, declares, upon data admitted to be generally sound, that the deposits of the British banks amount to £584,000,000, or about $2,900,000,000, (those of our National banks are $650,000,000,) against which they hold a cash reserve of only four per cent. The truth is that the country banks lean upon the London banks and the latter upon the BANK OF ENGLAND, which, large as it is, is too weak to bear such pressure. Here then, as we conceive, is the point of departure for the new BANK OF ENGLAND inquiry, and it ought to be of great interest to us as an addition to the storehouse of experience, available if we should ever contemplate anything so chimerical as a scientific regulation of our own system of currency and banking.

SAVINGS BANKS PASS BOOKS.—A case of much general interest came up in the Superior Court of Buffalo, before Judge JAMES M. SMITH and a jury; the circumstances, as stated by the *Commercial Advertiser*, being as follows:

EDWIN APPLEBY, a mechanic, had upon deposit in the ERIE COUNTY SAVINGS BANK the sum of $925.50, his entire property. On the 23d of April last the pass book given him by the bank was stolen from his trunk, which was locked and in his room at his boarding house. The thief, a former room-mate, who had become familiar with Mr. APPLEBY'S signature, presented the pass book to the assistant teller of the bank and demanded the money. The teller was not acquainted with Mr. APPLEBY, and on comparing the signature to the receipt signed by the thief, in the name of APPLEBY, with the latter's signature upon the bank's signature book, concluded that the signature was genuine, and paid the entire amount of the deposit to the forger and thief, who immediately fled from the city. Upon discovering the loss of his pass book, APPLEBY gave notice of the fact at the bank, and was then informed that his money had been paid as above related. Upon demanding his money, Mr. APPLEBY'S attention was called to a by-law of the bank, printed in his pass book, as follows:

Although the bank will endeavor to prevent fraud upon its depositors, yet all payments to persons producing the pass books issued by the bank shall be valid payment to discharge the bank. In case of lost books, the bank will decide as to the person to whom payment shall be made, without the right of depositor in such lost book to question the correctness of the payment.

Mr. APPLEBY claimed that the by-law had escaped his attention. The bank refused to pay him, and thereupon the suit was brought. The plaintiff's counsel insisted that the by-law was not reasonable, and consequently was void, and that, in any event, the jury should be allowed to pass upon the question whether the bank officers were not guilty of negligence in paying the money under the circumstances. The theory of the defense, in trying the case, was, that APPLEBY had either drawn the money himself, or was in collusion with the alleged thief who drew it. Justice SMITH, however, held that the by-law was a reasonable one, and that the bank officers were not guilty of negligence in paying over the money to the bearer of the pass book. He directed a verdict for the defendant, subject, however, to the opinion of the General Term. The decision was given, therefore, without reference to any disputed question of fact.

THE COMMERCIAL AND MONETARY INTERESTS OF CALIFORNIA.

Agriculture, Mining Interest, Commerce, Manufactures, Monetary Policy of California, Ratio of Currency to Population, Amount of Currency Needed, the Country approaching Specie Payments, Introduction of Greenbacks, National Bank Notes, What can be Done with Paper Money? Annoyance to Visitors and Immigrants, Landholders and the Greenbacks, Gold Monopoly, Expulsion of Gold, Exclusion of Capital, the "Prosperity" Argument, the Transition Period.

By Amasa Walker, LL. D.
Late Lecturer on Public Economy, Amherst College.

From the Overland Monthly for June, 1873.

The State of California may, perhaps, not improperly be regarded as an exponent of the industrial and commercial interests of the nation of which she forms an important part; her interests, in fact, being those in which the prosperity of the whole country is involved. Combining within herself, as she does in an unequaled measure, all the great forces of production, and the essential elements of commercial greatness, whatever public policy would advance her interests must be certain to conduce to the general welfare.

California has a vast capacity for profitable agriculture, her soil and climate being in a high degree favorable to that branch of production. Her mining interests, though much diminished, are still extensive; manufactories, too, have already begun their natural career of growth and development. In addition to all these, she has unsurpassed advantages for the building up of an immense commercial marine. She has a port destined to be to the Pacific what New York is to the Atlantic coast—the great emporium of foreign and domestic trade. With regard to this superiority, there can be no doubt. In the finest harbor in the world, with a central position between two hemispheres, the commercial supremacy of San Francisco on the Pacific coast is assured, and she must, in the natural course of events, become one of the largest marts of commerce on the globe.

What other State combines *all* those advantages and peculiarities in so large a degree? Where are the great interests of agriculture, mining and commerce so remarkably blended as here?

Upon a State in which such varied and important interests are united, the financial and monetary policy of the National Government must, of necessity, exert a very great influence, favorable or otherwise; and hence, such a State must be peculiarly sensitive in regard to that policy, which, if a false or mistaken one, must cause her to suffer more severely than sister States having a less diversified industry.

With this view of the character and condition of CALIFORNIA, our purpose is to inquire in what manner and to what extent the State in question is affected by the action of the General Government? What are the leading and most essential features of its economical policy?

1st. The creation of a monetary system, which supersedes the use of coin, and makes paper a legal tender.

2d. A system of restrictions upon trade, designed to affect the commerce and influence the industry of the country.

In what manner and to what extent is CALIFORNIA affected by these important measures? First, in its

AGRICULTURE.

This is its principal interest, not only at present, but prospectively. I find it stated, on what I conclude to be good authority, that the agricultural product of this State, for 1872, was "$75,000,000, of which $50,000,000 were exported." Have these agricultural products been raised in price by the issue of a legal-tender currency? Not at all. The great staples, as shown by the *Price-Current* of New York, on the 8th of January, 1860 and 1873, were essentially the same. Indeed, as a matter of fact, the prices of agricultural products were lower at the latter date than the former. So it is certain, that although the paper money of the country—which in 1860 was but $207,000,000, and in 1873 is over $700,000,000—has had no effect in raising the price of farmers' products, yet we know very well that the prices of all other commodities created and consumed in this country have been advanced by some fifty to seventy-five per cent. How, it may be asked, is it that one description of property should not be advanced in price, while all the others are? The answer is a plain one. Our staples—wheat, corn, beef, pork, etc.—are exported. We have, and always shall have, a large surplus of these, which we must send to countries that have gold as the standard of value. Whatever our staples, therefore, are worth in gold here, for shipment, determines the value of the entire crop. We can not have two prices, and therefore the price of the whole depends upon the value of the surplus exported.

Quite otherwise is it with those articles produced and consumed at home. They are measured by our home currency—our paper money—and are necessarily greatly advanced in price, because the currency is greatly expanded; and it is a well-settled principle, that general prices depend upon the quantity of the existing currency. For this

reason, all the farmer has to purchase from home manufacturers of furniture, boots, shoes, clothing, carriages, harnesses, machinery, farming-tools, etc., are enhanced in cost from fifty to seventy-five per cent.; while all his products remain, as we have seen, at their former prices. This entails a heavy loss upon the farming interest; since all the expenses have been increased, while his products, being still measured by the old standard, are not enhanced at all in price, and thus he is made to bear a great proportion of the loss arising from the use of our present false standard of value. Such, incontrovertibly, are the facts of the case; and this loss falls with great severity upon the States whose chief industry is agriculture. It is, however, the natural and unavoidable result of adopting a greatly inflated circulating medium.

Mining Interest.

Let us turn for a moment to the mining interest—the production of the precious metals. What effect does the financial policy which substitutes paper for coin, as a medium of exchange and standard of value, have upon this branch of your industry? To answer this understandingly, we must inquire, Why are these metals mined? Because there is a universal demand for them. What occasions this demand? They are wanted throughout the commercial world for use as money, and very little, comparatively, for other purposes. Now, then, it is certain, that the greater this demand for gold and silver as money, the greater will be their value, the more they will purchase of all other commodities: and therefore, anything which diminishes this demand will certainly diminish, in proportion, the value of all other commodities; and therefore, anything which diminishes this demand will certainly diminish, in proportion, the value of these metals. The Government of the United States has declared that its notes, promising payment at some indefinite future, are the authorized currency of the country, and a legal tender for all debts and demands.

The effect of this act is to demonetize gold and silver, and reduce them to the level of wheat, cotton, or tobacco. They are made, for all domestic uses, mere merchandise. Of these paper promises for use as money, the National Treasury has issued $ 356,000,000, and Congress has authorized some 2,000 banks to put out $ 354,000,000 more—in all, $ 710,000,000. Gold and silver, therefore, are now only wanted in the States for the payment of duties at the custom-house and the interest on the National bonds.

The effect of this policy is obvious. Gold and silver, not being wanted in any considerable quantity at banks, are sent abroad for what they are worth in other countries, and, since the price has been forced down by the Secretary of the Treasury, are the cheapest commodity we have to part with. The result is, to lessen their value. A dollar—twenty-five and eight tenths grains of standard gold—will not command as much of any other commodity as before this unnat-

ural expansion. For example: boots, which in 1860, when the currency was at par with gold, could be bought at $ 3, are now worth $ 4.50. The miner, therefore, pays fifty per cent. more than formerly for his boots, and loses the difference, because he can get his gold with no less labor than in 1860. He cannot water his gold, as the Government and banks do the currency. He must produce the real article, not the promise of it. Hence the mining interest suffers to the full extent of the difference between coin values and paper-money values, so far as purchases are made of any commodities produced and consumed entirely within the country. That this policy of the Government expels our gold product is seen in the fact that we exported, in 1872, $ 95,000,000—a great deal more than the whole product of the year. And such has been the case ever since the present insane policy of the Government was adopted, until now the country is nearly drained of its specie, and the premium on gold is advancing, and will probably continue to advance, until it reaches its normal rate, which, since the war, has never been less than thirty to thirty-five per cent.

Commerce.

Another interest to which we must refer is commerce. How is this affected by the financial policy of the nation? I answer, most adversely. Our commercial marine has been rapidly diminishing ever since the war, and bids fair to become extinct. In 1860, seventy-five per cent. of all the foreign imports were made in our own bottoms; now, but about twenty-five per cent. Why this strange result? There are two principal causes. First, our paper money so raises the cost of production, so increases the expenses of ship-building in the East (where it formerly and most naturally existed), that we cannot compete with ship builders in the British Provinces, or on the banks of the Clyde, where they use a gold standard. Second, in addition to all this, heavy duties are laid on iron and other materials entering into the construction of vessels, which still further embarrass our ship builders, and prevent them from successfully competing with foreigners.

In consequence of all these obstacles, we have nearly ceased the construction of vessels, except for coastwise trade, into which foreigners are not permitted to enter. But it may be asked, probably with some surprise, Why, if we cannot build, do we not buy foreign ships, and thus keep up our commerce? That is certainly a very common-sense question. Why do we not buy? I answer by relating a fact communicated to me since I came to this place. A Swedish vessel, I think it was, arrived recently at Portland, OREGON, with a cargo of iron. After discharging its freight, the vessel, a fine iron steamer, was offered for sale, at what was deemed a very satisfactory price, and arrangements were made for its purchase by a few enterprising merchants; but they found, on inquiry, that Government would not permit this—that an American register would not be

allowed to a foreign-built vessel. So the project failed, and the steamer departed.

While a false currency, retained without the slightest necessity, and heavy duties unwisely imposed upon the materials used in construction, prevent our building vessels, unwise restrictions forbid our purchasing them, as we might advantageously do; and thus the restoration of our mercantile marine is rendered quite impossible.

MANUFACTURES.

Of the effect of the financial policy of the Government upon the manufacturing interests of the gold and silver-producing States it is only necessary further to remark, that manufactures of different kinds commence and grow up in every country with the natural increase of wealth and population. They should be encouraged, but never forced. If there be no interference on the part of the Government, this growth and development will be natural and advantageous. The grasses and wild flowers do not more certainly appear when the forest has been cleared, and the earth opened to the influence of the sun, than do manufactures when society has advanced in its conditions to that point at which they can be profitably introduced. This law of progress and development will be found as true in its operations in CALIFORNIA as in MASSACHUSETTS. Manufactures—those especially adapted to the country—will, of necessity, be established and prosper. At present, this State has an advantage over the East in its currency, which, in spite of all opposing interests, has been maintained in specie. Your labor, and all your expenses of manufacturing, are no greater now than in 1860; while in the paper-money States they are at least sixty per cent. higher. This is favorable to the introduction of such manufactures as come most in competition with eastern fabrics. I have found in this city an establishment, employing about 400 hands, engaged in the manufacture of boots and shoes, and, I presume, successfully. This the owners are enabled to do by the fact that gold has been retained as the standard of value. In this, as in other respects, you are receiving the benefit of that courageous and determined course of action which secured to you a sound and reliable monetary system, upon which to base your business transactions. The result of this policy will be found even more advantageous in the future than the past; because the terrific revulsion certain to come upon all that part of the UNION where an inconvertible and redundant currency exists, will be but little felt here, and CALIFORNIA will escape the wreck and ruin that will fall upon other sections of the country.

With this brief and general view of the evils inflicted upon the most prominent interests of the State by the policy of the General Government, I now proceed, in further illustration of the subject, to speak of the existing currency of the country, and of the false ideas entertained by a large part, if not a majority, of the nation with regard to it. And, first, I remark upon the

Monetary Policy of California.

The Constitution of this State most wisely prohibits the introduction of paper money. So far it is the wisest document of the kind in the Union, and if the people are able to maintain their fundamental law in all its integrity, they have an immense advantage over the rest of the nation. Of this the people may rest assured, and if those gentlemen who are so dissatisfied with the present state of things will wait until the general explosion, which is sure to take place, and which from present appearances can not long be delayed, they will be quite satisfied that California has done well in preserving the gold standard. Wait until the inevitable collapse takes place, and then if the wisdom of your course is not fully vindicated, I am mistaken.

Ratio of Currency to Population.

The great redundancy of the currency in this country has already been referred to, but many persons are ready to dispute the fact, and insist that although the circulation has been greatly increased, the business of the country has been equally enlarged, so that relatively they are in the same proportion, and consequently there has been no actual expansion. In reply to this I would say, that there is no better criterion of the increase of business than the increase of population, and what has this been. Why, from 1860 to 1870 the increase was about twenty per cent., while our paper circulation has been enlarged in the meantime 250 per cent. This disproportion is so enormous that, making all reasonable allowances possible, the currency must now be expanded to the extent of at least 100 per cent. beyond the business wants of the country.

Hence in the great agricultural States east of the Rocky Mountains the pressure of the present state of things is severely felt; although, most unfortunately, the cause of that pressure is not well understood. If it were so, the remedy would soon be applied. If what were once known as the Great West, or what are now the Middle States, comprehended the fact that no issue of paper money, however large, can raise the price of farmers' produce a single farthing, while it will greatly advance the price of everything the farmer buys, we should hear no cry for more greenbacks from that section of the country. On the other hand, Congress should be effectually called upon to take measures for the gradual restoration of the currency of the country to par with the gold standard. It would seem that the agriculturists of California, being brought into contact with the markets of Europe, would discover before long that the price of their wheat depended entirely upon its gold value for shipment to Liverpool, while the price of all they purchase from the other side of the Rocky Mountains is determined by the greenbacks of the Eastern States, and would be brought to understand that the paper money of the country is worth for domestic uses—that is, for the erection of buildings, the manufacture or purchase of home commodities—not more than sixty or sixty-five cents on the dollar. Instead of a dif-

ference, as many imagine, of some twelve or fifteen per cent., the mere gold premium, the real difference is some forty or fifty per cent.

Amount of Currency Needed.

A great deal of popular misapprehension exists in regard to the quantity of money actually required for the transaction of business. It seems to be generally believed that the money of a country must be necessarily increased in equal ratio with the increase of population and production; but this is not true, because the amount of currency needed is determined by two facts: one its quantity, the other the rapidity of its circulation; therefore, if the facilities for using money increase as fast as the transactions of business, the currency may remain stationary and yet be sufficiently plentiful. Such is the theory, and it is most abundantly confirmed by the experience of different nations—especially that of Great Britain, whose trade and industry, exports and imports, have beeu quadrupled since 1825, but whose paper-money circulation is no greater now than fifty years ago; it being at present about $ 200,000,000 (or 40,000,000 pounds sterling), against three and a-half times that amount in the United States, whose commerce is only about half as great, and whose population is only about a third greater. To have a paper currency equal to that of the United States, Great Britain should have something like $ 500,000,000, instead of $200,000,000. The introduction of steam transportation and telegraph communication have so wonderfully increased the power of money, together with the thousand-and-one contrivances that modern discoveries have introduced for dispensing with the direct use of it, that a very small quantity is now needed for business purposes, compared with that required forty or fifty years ago; and it is unquestionably true, that, if the gold discoveries of California and Australia had never been made, the general commerce of the world in other commodities would be as great, and be conducted with as much ease as at present.

The Country Approaching Specie Payments.

The delusion is very commonly entertained on both sides of the Rocky Mountains "that the country is fast approaching, by an easy and natural process, the resumption of specie payments—that we are 'growing up' to the present volume of circulation, and shall soon find our paper on par with gold." There can not be a greater fallacy than this. So far as the conditions necessary for a resumption of specie payment are concerned, the country is further from that *desideratum* to-day than five years ago. But it will be asked, Has not the difference between gold and greenbacks been greatly diminished within the past few years, and does not that show that we are on the way to the return to specie payments? Not at all; because this fall in gold has not been the result of the operations of the laws of trade, but of the manipulations of the Secretary of the Treasury, who has

been playing the *bear* in the gold market for the last four years. The premium on gold was about thirty-three per cent.; it has been reduced by the sales of the Treasury to an average of about thirteen per cent., a reduction of twenty per cent. But what good has all this done? Who is the better for it? The gold miners? No; for they have been obliged to part with their products for twenty per cent. less when exchanged for greenbacks, or those commodities that come from the East where greenbacks are used. Have the farmers gained by it? No; for their commodities have been lowered, as we have seen, when measured by greenbacks, to the same extent as the decline in the gold premium. How great this loss has been in the aggregate may be seen if we take into consideration that the amount of agricultural productions, including cotton, have not been less than $ 300,000,000 per annum, amounting, in four years, to $ 1,200,000,000, upon which, if the loss by the decline of the gold premium has been twenty per cent., the total amount will be $ 240,000,000. This is a very low estimate, and, being so, it is not to be wondered at that the farming interest is greatly depressed in all sections of the UNION.

That this fall in the gold premium, which is thus injurious to the interests of agriculture, has been very prejudicial to those engaged in manufactures, will be seen, if we consider that when the gold premium was thirty-three per cent. they had, of course, twenty per cent. more protection against foreign competition than when it fell to thirteen—a protection they greatly needed, not against foreign labor, but against depreciated currency, by which the expenses of manufacturing have been most enormously increased. The manufacturers in the paper-money States are damaged by their currency as truly as the farmers of the gold-currency States, but not by any means to an equal extent. The former make their goods on a false standard of value, but they sell them also by the same standard, and get a profit, though that profit is realized in depreciated paper. But the manufacturers of the East are losing a large market for their goods in INDIA, CHINA, and SOUTH AMERICA, which they once had, in consequence of this unnatural increase of cost. We sent off in 1860 cotton fabrics to the value of $ 11,000,000, principally to CHINA and other eastern countries. Now we export less than $ 2,500,000. So of boots and shoes, furniture, and other articles. Besides, our false system is building up rival establishments in the CANADAS and other British provinces, which are fast superseding our own, and if the present policy is continued, the manufacturers of the country are bound to feel as greatly embarrassed as the farmers are now. They cannot enjoy a sound, satisfactory state of trade until the currency has been restored to par. Their interests, like yours, are injured by the use of a degraded currency, though in a different way, and at present to a less extent.

And here I will say a word to those who object to any contraction of the currency, on the ground that the demand for money is now greater than the supply. That is certainly true, and it always will

be while the currency is unduly expanded; for under such circumstances the speculative demand, to which the expansion has given rise, will always cause a scarcity of money and a high rate of interest, as we see at the present moment. This has ever been the case in the past history of this country under the former mixed currency system. An over issue would make money plenty: that would raise prices; that would occasion speculation; that would cause such an unnatural and excessive demand for money as to create great stringency and an exorbitant rate of interest; and therefore interest has always been highest when the volume of currency was greatest, and lowest when the circulation was at its natural level. These facts are indisputable.

Introduction of Greenbacks.

I have learned, with surprise and regret, that many persons and presses, at this late day, advocate the introduction of paper money into this State. I have no doubt of the sincerity and honesty of those who favor this proposal, but such persons are greatly mistaken in their ideas of what the effect would be upon the interests of California. Would such a measure raise the value or increase the quantity of your products? Not at all. How, then, could it benefit this State? If the farmer got no more for his cereals, and the miner no more for his gold, how would either gain by it? No class could be benefited, except speculators. They would reap a temporary harvest, which the adoption of a depreciated standard of value would occasion by the general disarrangement of prices which would follow. But the injury to all regular business would be great. The price of all merchandise would be raised equal to the gold premium, and a profit upon it besides. If, in exchanging your gold for greenbacks, you gained nominally twenty per cent., you would more than lose it whenever you made a purchase of any kind of merchandise; besides, labor would not rise at once to so great an extent as merchandise, and the laborer would for a long time suffer much loss in consequence.

The rate of interest would advance largely. Throughout the paper-money States interest has advanced far beyond what was ever known prior to the expansion. In Massachusetts, where capital is most abundant and cheapest, the rate has nearly or quite doubled. I never knew a mortgage made at a higher rate than six per cent. before the war; now the rate on such securities is anywhere from seven to ten, while business men are paying from ten to fifteen per cent., and speculators from fifty to one hundred for their call loans. The average rate can not be less than twelve per cent. throughout the paper-money States. Such is the necessary effect of expanding the currency beyond its natural limits, and such will be its effect here. If so, what is gained by exchanging your gold currency for paper? If your products will not be raised in price, nor your production increased, nor the rate of interest be made lower, why make the change? Why cause all the derangement and injustice which the change would certainly occasion?

As the question of substituting notes for gold is a mooted one, and highly important in its bearings, let us, for a moment, inquire as to the *modus operandi* by which they could now be introduced into CALIFORNIA, and the effects likely to follow. The first question would seem to be, How much will be wanted? To answer this, we must inquire how much the State has of gold coin now; for it is assumed by the advocates of the proposed change that a greater amount of currency is needed.

From diligent inquiry among the principal bankers and capitalists of San Francisco—those who have been longest and most intimately acquainted with its business and monetary affairs—I find the lowest estimate of the quantity of gold coin now in use in the State is $ 15,000,000. Many regard the quantity as much greater, but I accept the smaller as nearest the true amount; and, if the population, as estimated, at this time is 600,000, it gives $ 25 to every man, woman and child in the State. Whether this is a sufficient quantity, we must judge by comparing it with the circulation of the other States, which we have called $ 710,000,000, exclusive of the fractional. If the UNION has now a population, as supposed, of 40,000,000, and CALIFORNIA 600,000, then, deducting the 600,000, the population of the rest of the country will be 39,400,000, and this will give to all the other States together $ 19.30 per capita.

We find, then, that CALIFORNIA has already a greater currency by over twenty-five per cent. than the rest of the Union. That this result is a true one, there can be no reasonable doubt, because it is a well-known fact that gold—especially in new States, where the population is sparse, and there are few savings-banks—is more extensively hoarded than paper money is in States densely populated, and having a savings institution in almost every considerable village. So much of currency CALIFORNIA now has in gold; but she wants more, it is assumed, and therefore must introduce greenbacks. This may certainly be done at any time, if the citizens will, as a community, agree to accept them in all the transactions of trade; but how will they get them? The Government will not be generous enough to make a present of them. The people must buy them—with what? Gold? Then it will take all the gold they have, and more, too, of course, if they are to increase the volume of their present currency; and if they do not, what advantage is gained by the change? And when all this has been done, will the greenbacks stay in the State any better than gold? Not at all. If debts are due on the other side of the Rocky Mountains, the greenbacks must pass over in payment; if capitalists can get more interest on their funds in New York (as they can at present) they will send off their greenbacks just as soon as they would their gold.

If this be so—and no one can reasonably doubt it—where is the benefit to be derived from the introduction of greenbacks, and the consequent expulsion of gold? If any one can discover the advantage to be derived from such an alteration in the monetary *status* of CALIFORNIA, he ought certainly to show it by a plain statement of

the manner in which it can be brought about. Unfortunately, however, the clamor for greenbacks is sustained, so far as we have seen, only by vague assumptions and idle fallacies, which will be noticed hereafter.

National Bank Notes.

To all this it may be replied, perhaps, "although we talk of greenbacks, we would as soon have National bank notes, and those we are as much entitled to as other States." Very well; but to what amount are you entitled? The Comptroller of the Currency, in his report of December 1, 1872, has given a table (page 11), showing the amount each State can call for, and from that we find the proportion of California to be $6,324,183. But since the circulation authorized by Congress has already been distributed, to get this amount of bank-notes, an act must be passed legalizing a further expansion of the currency.

This would be the first obstacle to be encountered. Supposing, however, Congress should be disposed to grant the needful authority, what then? To get the amount of notes required, it will be necessary to deposit say $7,000,000 in the bonds of the United States, as security for their redemption. Thus it would require an investment of $7,000,000 of real capital, in order to acquire the $6,324,183 of bank notes which California is supposed to be so anxious to obtain.

Admitting, however, that the wealthy capitalists of this State—of whom the number is certainly large—should furnish the bonds, get the notes, and establish the banks, what next? To circulate their notes according to law, the new banks must keep a reserve in "lawful money"—which means greenbacks or specie—upon the whole amount of their circulation and deposits. How much of the funds of these banks must then be held for this purpose? Why, if their deposits should be equal to the average in other States, the amount will be nearly double their circulation; that is, about $12,000,000.

It appears from the before mentioned report (page 6), that the banks of the nation had

Circulation outstanding	$333,495,027
Deposits	625,708,307
Total	$959,263,334

And they had of

Specie	$10,229,756
Lawful money	118,971,104
Total	$129,200,860

equal to about 13½ cents on the dollar. If the proposed banks in California, having a

Circulation of	$6,324,183
Deposits	12,648,366
Total	$18,972,549

keep a proportionate reserve, the amount will be found, in round numbers, $ 2,300,000. The result then is, that the banks, with a circulation of $ 6,324,183, must have a reserve in lawful money or specie of about $ 2,300,000, leaving say $ 4,000,000. This is the sum total of National bank currency which could be had for circulation, over the amount of greenbacks or specie which must be held in reserve. This is the upshot of the matter, when carefully examined. The whole circulation of bank-notes might be, as before stated, $ 6,324,182; but to sustain these, some $ 2,500,000 of bank funds must be kept on hand.

What can be done with the Paper Money.

The banks being established, and merchants and others having borrowed the much coveted currency, what will they do with it? Will they discharge their existing debts? This they could not do, as the obligations were entered into under the law of the State authorizing special contracts, and are payable only in coin. The law cannot be repealed in regard to past indebtedness, because there can be no *ex post facto* legislation; nor can a State enact a law "violating the obligation of contracts." The Constitution of the United States expressly forbids this.

Will dealers sell goods, or part with any kind of property, at the same rates they do now, and take their pay in depreciated greenbacks or bank-notes? Most certainly not. If disposed to give credits at all, they would be sure to ask higher prices for everything offered for sale, and certain to charge a greater advance than the mere existing gold premium, because of uncertainty as to the value of the currency when their demands become due.

All kinds of property, then, under these circumstances, must be measured not only by a new, but uncertain, standard, and all business transactions be thrown into confusion and doubt; while the only class that could profit by the monetary chaos would be those who could take advantage of the embarrassments and distresses of their fellow-citizens to speculate upon their misfortunes.

A few words, now, in regard to the fallacies by which the proposal to introduce greenbacks, or National bank notes, is sustained.

Annoyance to Visitors and Immigrants.

One of the popular arguments in favor of substituting paper-money for coin is, that persons from the East, on arriving in California, are much annoyed to find themselves obliged to lose (say as at present) fifteen per cent. on their funds, and that this fact prevents many from coming here and investing their money. Let us examine this statement of the case. I came to this city and put up at one of the first-class hotels (and there are no better in the nation), and find myself charged $ 3 per day for a single room, and, if I want extra rooms, in proportion. In New York, Philadelphia, and other Atlantic cities, I

would be charged $ 4 per day for no better accommodations. What is the pecuniary result to me? I sold my draft on Boston for eighty-five cents on the dollar, so I lost fifteen per cent., but as I was charged but $ 3, the gold price here, instead of $ 4, the currency price at home, I gained a difference of about twelve per cent.—that is, it took $ 3.53 of my money to pay $ 3 here, instead of $ 4 in the other States, a difference of forty-seven cents per day in my favor.

That is the kind of LOSS which the eastern visitor or immigrant makes in coming to CALIFORNIA; and, if he has sagacity enough to see it, he certainly will not grumble at the discount on his paper-money, nor hesitate to make investments of greenbacks at the gold values in CALIFORNIA.

The principle shown in the illustration given is equally true of all values, real and personal, throughout the State. All are measured alike by the gold standard, and on that account the immigrant who invests here actually gains when he purchases any kind of property.

LANDHOLDERS AND THE GREENBACKS.

Many of the large owners of land are said to be strongly in favor of substituting paper for gold, on the ground that they will be thereby enabled to make sales they cannot effect now. "We could sell our land," say they, "if we would take greenbacks, but as such notes are worth but eighty-five cents on the dollar, we should lose fifteen per cent." Let us see how the case is. A has a tract of land for which he asks $ 10,000. He could take that for it if he would accept greenbacks, but this he will not do, as it would involve a loss of $ 1,500. But he "wishes the State had greenbacks as currency, for then he could sell his land and accept them as pay, because they they would be current everywhere." True, he could then sell his land for greenbacks, and he can do the same now. If he were to take the greenbacks after they became the recognized currency, he would still lose the $ 1,500, as he would find whenever he came to make any investments, for the good reason that every kind of property would at once be advanced at least as much as the depreciation of the greenbacks. He could, therefore, avoid this loss only by raising the price of his land equal to the difference between the gold and paper. If he did so, could he sell his land any better than before? and if he could not, then what had he gained by the change?

GOLD MONOPOLY.

Another argument is frequently made—namely, that the great capitalists and financial operators of this State are now able to control the gold market, and dictate high rates of interest, and therefore paper should be substituted. Admitting the statement to be true, would not these same capitalists have equal power over a paper currency? could they not as readily monopolize the latter as the former? or rather, could they not more easily manipulate paper than gold?

They could do so, undoubtedly, and this argument in favor of paper, therefore, falls to the ground.

The plain truth of the matter is, that capital is power, and will be wielded by those who have it, whether the currency be sound or unsound.

Expulsion of Gold.

Again, it is often asserted that the absence of greenbacks has caused gold to be sent out of the State. This is, however, an illogical conclusion, contradicted by the palpable fact that California has not only more money in circulation per capita than any other State, but holds more gold at this time than all the National banks in the Union had in 1872, as shown by their returns. Instead of expelling, it has been the means of retaining so much of coin as is found needful for use as currency.

But it is said that the gold is certainly being drawn off to New York. This may very naturally be so, since that city is the great commercial centre of the nation, and at this moment the rate of interest is very high there, owing principally to the demands of the speculative classes. If the whole currency were greenbacks, the results would be the same. Capital will certainly flow to those points where it will command the largest income. It is altogether a mistake to conclude that California has less money, less capital, or less prosperity than she would have had if she had adopted a false and dishonored currency.

Exclusion of Capital.

It may undoubtedly be true, as often asserted, that some persons have been deterred from bringing their capital here from other States in consequence of the nominal loss they would experience in the discount upon their paper money; but, on the other hand, it is unquestionable that a large amount of foreign capital has been, and is still, attracted to this State by the fact that the standard of value here is sound and reliable, and therefore there is less danger to be feared from the great revulsion and decline of values regarded as certain to take place in the expanded currency and credits of other parts of the country. What the State may have lost on one hand she has doubtless more than gained on the other.

The "Prosperity" Argument.

"States having paper money are enjoying high prosperity, while California, with her gold currency, is making little progress; therefore, she should secure the use of a paper circulation." Such is the argument of some who desire to exchange their gold for paper. Massachusetts, especially, is said to be advancing rapidly in wealth from this cause. These assumptions are without any adequate foundation whatever. Neither the old Bay State nor any other Eastern State is increasing in wealth at an unusual rate. The reverse of this is quite true.

The nature of that great prosperity, which seems to excite so much envy, has been strikingly illustrated in the case of MASSACHUSETTS, by her *Statistics of Industry*, taken every ten years, between the decennial censuses of the nation. For example: in 1855, the whole annual product of her agriculture was $ 305,820,681; in 1865, it was $ 517,240,613; showing a gain of $ 211,419,932, or nearly seventy-five per cent. for the decade. That seemed to be a most gratifying result, and her chief magistrate congratulated the State on its "wonderful prosperity." But what was the real fact? An analysis of the census was made, by which it was ascertained how many bushels of grain, tons of hay, and other articles, had actually been produced; and it was found that, in many cases, there was not only no gain, but an absolute falling off; and the conclusion was reached, that there had been "no material increase in actual values." Thus the illusion was dissipated. So at the present time, all over the paper-money States, prices have been greatly raised, and the cost of production largely increased. Rents are higher, wages are higher; but the net results are far less favorable to the laborer and capitalist now than in 1860. The prosperity is fiction, not fact. In traveling through the country, at the present time, one can not fail to observe, that there are more splendid residences and more cheap tenement-houses than before the war; that there has been a great disturbance of the national industry; that the few have acquired enormous wealth, and the many been proportionably impoverished; and when the average is struck, the result will be that there has been no general improvement in the well-being of the masses, even in the most favored States.

THE TRANSITION PERIOD.

In conclusion, I would notice the obvious but not generally recognized fact, that this great State of the Pacific is passing through a transition period. CALIFORNIA has a remarkable history—a history almost without a parallel. In 1848, gold was discovered in the bed of one of her rivers. It could be taken up by the shovelful. The news spread with electric velocity to all parts of the globe; and, in the memorable year 1849, tens of thousands poured into the country where gold was to be found in such plenty. In only five years from the discovery the product had arisen to $ 53,000,000. Such a marvelous accumulation of wealth the modern world had never seen. It was overwhelming, and the excitement it produced was correspondingly great. From that period, however, the gold product began gradually to decline, until it is, at present, only about $ 20,000,000. But the fever which such a vast and sudden accession of wealth created has not ceased; the speculative spirit engendered by it has not passed away. The public mind, if I mistake not, is still in an abnormal state—still excited—still looking anxiously for new discoveries of the precious metals. A large number of persons have for several years been emigrating to NEVADA and other States, to find new fields for their enterprise. The population of CALIFORNIA, therefore,

though actually increasing, has not of late advanced as fast as that of many of the new agricultural States. She has not had so large an immigration from abroad. Yet, in the meantime, a far more profitable, more reliable, and, in every moral and social aspect, more desirable industry, has grown up, with surprising rapidity. The cultivation of the soil, at first contemned and disregarded, has already become the chief industry of the State, although yet in its infancy, and capable of almost illimitable expansion. But in the present more natural and more wholesome state of affairs, there is little excitement. Fortunes are not now made in a day. The State grows in wealth; but individuals do not become millionaires in a few months. Hence, to those familiar with the exhilarating scenes and vicissitudes of ten or twenty years ago, all seems dull and monotonous. To a reflecting mind, however—to one who can calmly look at the case —the situation and prospects of CALIFORNIA are highly encouraging. There is absolutely nothing in her soil, climate, or position, to deplore. The great and beneficent change in progress necessarily involves more or less disturbance and ephemeral depression. All that CALIFORNIA, on her part, needs, is patience under the temporary evils incident to the changes taking place in her industry, and faith in well-directed efforts to extend her agriculture, her manufactures, and her commerce. She must comprehend the situation, understand her own interests, and be true to herself. She has no occasion to ask for governmental favors, for nature has been bountiful; but she should insist on just National legislation; and, if I understand the case aright, her delegation in Congress should be united, earnest, and persistent in demanding a gradual but certain restoration of the currency to par with the CALIFORNIA standard; that all restrictions upon the purchase of foreign vessels be removed, and the heavy duties now imposed upon materials entering into ship building be abolished, or greatly lessened, so that San Francisco may have as many ocean steamers and sailing vessels as her merchants may choose to build or buy, with which to transport her varied products to every quarter of the globe.

THE DUTIES OF TRUSTEES.—We are happy to see that the press throughout the country is alluding to the unperformed duties of trustees in a manner which will awaken some gentlemen, who hold these positions of trust, to a realizing sense of their responsibility. Many years ago there was a heavy defalcation in one of the savings institutions of this city. A gentleman who lost more than he could afford to part with called upon one of the directors to see if anything would be realized. "Why do you come to me?" inquired the director. "My name was used without my consent, and I don't know where the bank was located." It was upon the strength of this director's name that the depositor placed confidence in the bank.

—*Boston Journal.*

THE LAW OF DEPOSITS.

THE LIABILITY OF A BANK TO THE HOLDER OF A CHECK.

Chief Justice FARWELL, of ILLINOIS, rendered, in July, a decision in favor of the FOURTH NATIONAL BANK of Chicago, in a somewhat complicated case, which the Chicago *Journal* explains as follows :

"The bank discounted a customer's note which had not matured when the cause of action arose. The customer had money to his credit, against which he drew a check, which passed into the hands of the FIRST NATIONAL BANK OF GRAND RAPIDS, and was duly presented. Before payment of the check was demanded, proceedings had been commenced which eventuated in the individual being adjudged a bankrupt. The bank retained the money to meet the note which had not matured, and has succeeded in holding it against the claims of the Grand Rapids bank and the assignee. A chancery suit having been instituted by the BANK OF GRAND RAPIDS to recover the amount of the check, the Chicago bank claimed an equitable offset to the moneys which were lying in its hands at the time the check was presented. The case was argued on a demurrer to the bill, and Judge FARWELL sustained the demurrer, dismissing the bill filed by the Grand Rapids concern. The case is a very complicated one, and numerous authorities were cited on both sides. It is probable that further proceedings will be taken."

It is to all bankers and business men a matter of great importance that the status be clearly understood which the holder of a check sustains towards the bank on which it is drawn. Upon this subject the following opinions are advanced and authorities cited by the *Albany Law Journal:*

It becomes important, in the outset, to understand what is the relation existing between a bank and a depositor, for on that point this whole question hinges. This question was very elaborately discussed in FOLEY *v.* HILL, 2 *H. L. Cas.*, 28, and it was unanimously *held*—Lord Chancellor COTTINGHAM and Lords BROUGHAM, CAMPBELL and LYNDHURST delivering opinions—that the relation between a banker and a customer who pays money into the bank is the ordinary relation of debtor and creditor, not of agent and principal, nor of trustee and *cestui que trust.* The money deposited becomes the absolute property of the banker impressed with no trust, and which he may dispose of at his pleasure, subject only to his personal obligation to the depositor to pay an equivalent sum upon his demand or order. This decision has been approved and followed in the later cases. BANK OF THE REPUBLIC *v.* MILLARD, 10 WALL., 152 ; THE MARINE BANK *v.* THE FULTON BANK, 2 *id.*, 252 ; THOMPSON *v.* RIGG, 5 *id.*, 663 ; CARR *v.* THE NATIONAL SECURITY BANK, 107 MASS., 45 ;

ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, 46 N. Y., 82; 7 *Am. Rep.*, 314.

It is a settled rule of law that a creditor cannot split up his demand against the debtor and require the latter to pay it in parcels, and this rule is decisive of the present question, the banker being only an ordinary debtor to the depositor.

The case of CHAPMAN *v.* WHITE, 6 N. Y., 412, has been usually regarded by the courts as an authority for the proposition, that the ordinary holder of a check has no claim upon the bank. The reporter's head-note to that case is as follows: "The BANK OF GENEVA having a large deposit in the CANAL BANK, on which the latter paid interest, sold to the plaintiff, on the 7th of July, a draft for $ 500 on the CANAL BANK, payable on demand to the order of its cashier, which the plaintiff sent by mail to the cashier, with instructions that it was sent to pay his (plaintiff's) note of $ 500, payable at that bank on the 12th of July. The draft was received by the cashier on the 8th, and was neither indorsed by him, nor accepted by the bank. On the 10th the bank failed. On the 12th the plaintiff's note was presented at the bank and payment refused. And, afterward, the draft was returned to the plaintiff, at his reqnest, by a receiver of the assets of the bank. *Held*, that the plaintiff had acquired no right to be paid the amount of his draft from the assets of the bank, in preference to its general creditors." It is true that the court said, that there was nothing to show that the deposit of the GENEVA BANK was held by the drawee when the draft was received; but the decision was put upon the broad ground that the drawee owed no duty to the holder. Under the circumstances of the case it was not absolutely necessary to determine the question we are discussing, but the court did determine it. Judge GARDINER, who delivered the prevailing opinion said: "It is immaterial whether the implied engagement upon the part of the banker is to pay the sum in gross or in parcels as it shall be required by the depositor. In either case the draft or check of the latter would not, of itself, transfer the debt or a lien upon it to a third person without the assent of the depository."

But, however wide of the mark CHAPMAN *v.* WHITE may come, there are some other cases that hit it precisely. BANK OF THE REPUBLIC *v.* MILLARD, 10 WALL., 152, is one of these. Mr. Justice DAVIS, who delivered the opinion of the court, stated the question involved in the following terms: "The only question presented by the record which it is material to notice is this: 'Can the holder of a bank check sue the bank for refusing payment in the absence of proof that it was accepted by the bank or charged against the drawer?'" The question we are considering was, therefore, fully and unmistakably presented. The court held that the holder had no such right. The following is a portion of the language of the decision: "It is very clear that he (the holder) can sue the drawer if payment is refused, but can he also, in such a state of case, sue the bank? It is conceded that the depositor can bring assumpsit for the breach of the contract to honor his check, and, if the holder has a similar right, then the anomaly is presented of a right of action upon one promise

for the same thing existing in two persons at the same time. On principle there can be no foundation for an action on the part of the holder, unless there is a privity of contract between him and the bank. How can there be such a privity when the bank owes no duty and is under no obligation to the holder. The holder takes the check on the credit of the drawer, in the belief that he has funds to meet it, but in no sense can the bank be said to be connected with the transaction."

In BELLAMY *v.* MAJORIBANKS, 7 *Exch.*, 404, PARK, B., said: "The lawful owner of a cheque is of necessity entitled to receive payment of it. He could not sue the drawee unless he had accepted the cheque, a practice not usual but legal, but he could sue the drawer on non-payment of it, if he was the holder for value." In *Addison on Contracts* (*6th ed.)*, 810, under the title, "*Cheques on Bankers*," the author says: "But the holder cannot sue the banker upon whom it has been drawn, unless the banker has accepted the cheque or promised to pay it to the holder." To the same effect are LOYD *v.* MCCAFFREY, 46 *Penn. St.* 410; BULLARD *v.* RANDALL, 1 GRAY, 605; DANA *v.* THIRD NATIONAL BANK, 13 ALLEN, 445; HARRIS *v.* CLARK, 3 N. Y., 93; THORNHILL *v.* HULL, 2 *Cl. & Fin.*, 28.

The question was directly raised and passed upon in CARR *v.* NATIONAL SECURITY BANK, 107 MASS., 45, which was an action of contract by the payee and holder against the drawee on a bank check. The drawee was a bank holding funds of the drawer and was in the habit of paying his checks, but refused to pay that of the plaintiff. The defendant demurred on the ground that the plaintiff had not set forth a cause of action. The court sustained the demurrer, and in the course of its opinion said: "A check drawn by him (the depositor) in common form, not designating any special fund out of which it is to be paid, nor corresponding to the whole amount due to him from the bankers at the time, is a mere contract between the drawer and the payee, on which, if payable to bearer, and not paid by the drawees, any holder might doubtless sue the drawer, but which passes no title, legal or equitable, to the payee or holder, in the moneys previously paid to the bankers by the drawer; and the banker's promise to the drawer to honor his checks does not render them, while still liable to account with him for the amount of any check as part of his general balance, liable to an action of contract by the holder also, unless they have made a direct promise to the latter by accepting the check when presented or otherwise." Nothing certainly could be more explicit than this language.

We will only refer to one other decision on this side of the question. In ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, 46 N. Y., 82; 7 *Am. Rep.*, 314, the facts were that the "Florence Mills" having a balance of $694 to its credit with defendant, sent to it on the 2d of April, by mail, a check on another bank for $4,895, accompanied by a letter containing this direction: "which (the check inclosed) please credit our account and charge us our note of $5,000 due the 4th inst." The check was received and credited in account on the 3d, and on the same day defendant paid a past due note of

$5,000 of the "Florence Mills," payable at defendant's bank, and charged it in account. On the 4th the note referred to in the letter, held by plaintiff, was presented and payment refused. The court of appeals held that the direction in the letter did not transfer the fund, and that plaintiff acquired no title to it and could not recover. The principle involved was identical with that involved in the cases where a bank had refused to pay a check, and the decision of the court was placed upon the same ground. The opinion is elaborate and discusses fully the question we are now considering. One extract from the judgment will indicate the view of the court on that question: "The cases all agree that, notwithstanding the agreement which bankers make with their customers, to pay their checks to the amount standing to their credit, a check-holder can take no benefit from this agreement, and that a check does not operate as a transfer or assignment of any part of the debt, or create a lien at law or in equity upon the deposit."

The few cases opposed to this doctrine are deserving of but little consideration. In FOGARTIES *v.* STATE BANK, 12 *Rich. L. R.* (SOUTH CAROLINA), 518, the bank was held liable to the holder of a check, but much stress was laid upon the clause in the bank's charter, that it "shall receive money on deposit and pay away the same to order free of expense." The court regarded the bank as "trustee," a notion which, as we have shown, has been entirely exploded. The opinion is not fortified by authorities, and shows an entire misapprehension of the relations between the banker and his customers. The same may be said of MUNN *v.* BURCH, 25 ILL., 35, wherein the same doctrine was held, and which was followed in the Chicago Ins. Co. *v.* STANFORD, 28 ILL., 168, the same judge, CATON, writing the opinions in both cases. ROBERTSON *v.* AUSTIN, 26 IOWA, 315, has been cited as an authority to the same effect, and while the opinion of COLE, J., who delivered the judgment, was evidently on that side, he expressly said that the case "was not a controversy between the holders of the checks and the drawers or bankers having the deposits, as to the legal right of the former to sue the latter at law, prior to acceptance; but it is a controversy between the assignee of the drawer of the checks and the holders of them." The case is, therefore, not an authority on either side of the question.

It is hardly necessary, after referring to the cases of BANK OF THE REPUBLIC *v.* MILLARD, and CARR *v.* NATIONAL SECURITY BANK, *supra*, to say that the allegation, that an ordinary check differs from a bill of exchange, is entirely without foundation, so far as this question is concerned. It was said in CHAPMAN *v.* WHITE, *supra:* "As Judge COWEN remarked in HARKER *v.* ANDERSON, 21 WEND., 373, there are dicta of learned judges, taking a distinction between checks and bills of exchange, but the whole current of authority is the other way;" and in ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, *supra*, it was said that "checks are but inland bills of exchange, and subject to all the rules applicable to instruments of that character, and imposed no obligation upon the drawers until accepted."

DECISIONS OF THE TREASURY DEPARTMENT, 1872–1873.

National Banks cannot Deduct Premium on Bonds from Capital Stock in Semi-Annual Returns.

A National bank, in stating the amount of its United States bonds, in its return of semi-annual duty, can make only the actual face value of the bonds belonging to the bank an item of deduction from the capital stock of the institution. The law does not consider premiums any part of the investment. *(Letter to National Bank of Spring City, Pa., January* 7, 1873.)

Postmasters are not required to Redeem Mutilated Currency.

Postmasters are not required by law or regulation to redeem mutilated currency of the UNITED STATES. Postmasters were formerly required to receive, in payment for postage stamps and stamped envelopes, any United States currency clearly genuine and not subject to discount; but that requirement has been done away with by the Post Office Department, and postmasters are required to receive only current and "passable" money. *(Letter to First National Bank, Brattleboro, Vt., January* 13, 1873.)

Terms on which New Fractional Currency is Furnished in Redemption of Old Currency.

Fractional currency can be obtained from the Treasurer's office in any amount by registered mail under Circular No. 4 [and under Circular No. 6], in redemption of old or defaced United States currency forwarded to the Treasurer in the same manner; and in sums of $ 5 or upwards in redemption of old or defaced fractional currency, or in sums of $ 50 or upwards in redemption of old or defaced legal-tender notes, forwarded to the Treasurer by express under Circular No. 1 [superseded by No. 6]. *(Letter to L. H. Willie, Oxford, N. C., January* 17, 1873.)

Returns for Old Currency Received by Express are invariably made in New Currency by Express to the Owners.

The Secretary is not disposed to modify the requirements of Circular No. 5 [which requires that returns for old currency received by

express shall be invariably made in new currency by express to the parties from whom the old currency is received] as he is of the opinion that the currency will be kept in better condition by making returns for old currency in new currency, directly to the owners, than by returning checks on New York. (*Letter to Deseret National Bank, Salt Lake City, Utah, January* 25, 1873.)

The Deposit with Treasurer of Bonds of Funded Loan of 1881 *does not Exempt National Banks from Semi-Annual Duty on Circulation or Deposits.*

The deposit with the Treasurer by National banks of bonds of the five-per-cent. funded loan of 1881, as security for the redemption of their circulating notes, does not exempt them from any semi-annual duty on their circulation or deposits. The act of July 14, 1870 (16 *Statutes*, 272) declares that the bonds of the funded loan of 1881, and the interest thereon, "shall be exempt from the payment of all taxes or duties to the UNITED STATES," but the exemption does not extend to the circulation or deposits of National banks [which have deposited such bonds with the Treasurer].

Under the forty-first section of the National Currency Act the capital of National banks is, however, exempt from semi-annual duty to the extent to which it is invested in United States bonds. (*Letter to Farmers and Mechanics' National Bank, Frederick, Md., February* 11, 1873.)

The Department wishes to Retire all Legal-Tender Notes of issues prior to 1869.

The Department is desirous of withdrawing all the legal-tender notes of issues prior to 1869, whatever their condition, and offers the most liberal facilities for their redemption. [See Circular No. 6.] (*Letter to Leather Manufacturers' National Bank, New York, February* 11, 1873.)

A National Bank cannot deduct from Average Deposits in Semi-Annual Return an amount due at "Ten Days' Sight."

A National bank is not permitted to deduct from its average deposits in its semi-annual return the amount due the Treasurer of the State "at ten days' sight." No deductions of any character can be made other than those specified in the form of return, namely: National bank depositaries may deduct the amount due the Treasurer of the UNITED STATES. All other National banks are required to make an average of all their deposits during the term, of every name, and in strict compliance with the printed form defining deposits. (*Letter to Farmers and Mechanics' National Bank, Rochester, N. Y., February* 27, 1873.)

Coupon Bonds Pass by Delivery, and when Stolen will be Paid to an Innocent Third Party.

Coupon bonds of the UNITED STATES are all made payable to bearer [except the "Oregon War Debt" bonds], and will be paid on presentation to the person presenting them for payment. Their ownership passes, precisely like that of the circulating notes of the Government, by delivery. They are unlike registered stocks, which can be paid only to the party in whose name they stand. In the hands of an innocent third party, coupon bonds that have been stolen are just as good as if they had been originally issued directly to him. *(Letter to Hon. James B. Beck, M. C., March* 1, 1873.)

Amount of Unmatured Coupons Lacking is Deducted in Redeeming "Called" Bonds.

When a "called" bond, which lacks coupons maturing after the date at which interest on the bond ceased, is presented to the Department, in accordance with the terms of the call in which it is included, a coin check, in redemption thereof, for principal and interest accrued to date of cessation of interest, less the full amount of coupons detached, will be remitted. *(Letter to I. I. Folts, Allen's Grove, Wis., March* 10, 1873.

Statement of Reasons for Deducting from "Called" Bonds the Amount of Unmatured Coupons Lacking.

The fact that public notice has been given by the Department [in pursuance of express provisions of law] that interest on "called" bonds ceases at the expiration of three months from the date of the call, inhibits the accounting officers from passing such bonds for their full amount in the Treasurer's account, unless all coupons, subsequent to the date when interest ceased, are attached thereto or accounted for. Deductions are made for such coupons when missing [see Decision preceding], not for the protection of the Government, but for the protection of the holder of the coupons, who has given value for them, as against the holder of the bond, who received value for them when he parted with them. *(Letter to Brown, Wadsworth & Co., New York, May* 24, 1873.)

Adams Express Company should Pay Charges on New Currency Forwarded to Banks without the Limits of Express Contract.

The express charges on new currency [forwarded to banks without the limits of the Government contract with Adams Express Company, in return for currency redeemed by the Treasurer] should be paid by Adams Express Company, and charged in its account with the Department. *(Letter to Colorado National Bank, Denver, C. T., March* 29, 1873.)

The Department will not Pay Express Charges on New Notes Returned for Redemption.

While the Department is disposed to afford every facility to the public in the matter of exchanging mutilated currency free of expense, it cannot consent to pay express charges on new notes returned for redemption in the same condition in which they left the Treasurer's office. (*Letter to National Whaling Bank, New London, Conn., March* 29, 1873.)

Certificates of Deposits and Notes Payable on Future Days must be Included by National Banks in Estimating their Average Deposits for Payment of Duty.

A certificate of deposit payable at a future day is to be included by a National bank in making an estimate of its average deposits for the payment of semi-annual duty, just as it would include in its footings of deposits certificates payable on presentation. The note of a National bank, payable at a future day, the consideration for which is money loaned to the bank, is also subject to payment of duty as a deposit. Whatever money a bank receives for which it gives its obligation to pay must be treated as a deposit and pay duty as such. (*Letter to Covington City National Bank, Covington, Ky., April* 4, 1873.)

Unpaid Dividends are not Subject to Semi-Annual Duty as Deposits.

It has been decided that the law [imposing a duty on deposits in National banks] does not include unpaid dividends. (*Letter to National Bank of Commerce, New Bedford, Mass., April* 5, 1873.)

Congress has made Provision for the Repayment of Semi-Annual Duty Exacted on Surplus and Undivided Profits.

By a resolution, approved May 2, 1867, Congress made provision for the repayment [to National banks] of the amount claimed to have been illegally exacted [as semi-annual duty] on "surplus" and "undivided profits." (*Letter to Philadelphia National Bank, Philadelphia, Pa., April* 9, 1873.)

Facts Required to be Stated in Affidavits concerning Partial Destruction of United States Currency.

An affidavit, for the purpose of securing the redemption in full of fragments of United States currency, should state the particulars, in

connection with the partial destruction of the notes [including the fact that the missing portions have, to the knowledge of the affiant, been totally destroyed]. It should also state the circumstances under which the fragments were found, and furnish all the information possible. *(Letter to William Smith, Dorcasville, Pa., April* 21, 1873.)

Only the Treasurer is Authorized to Redeem United States Currency at a Discount.

Depositaries of the UNITED STATES are not authorized to redeem currency at a discount. Notes of which less than three-fifths are presented, which are the only notes redeemable for less than their face value, are redeemable only by the Treasurer of the UNITED STATES. *(Letter to Childs & Prince, Chicago, Ill., May* 17, 1873.)

The Treasurer cannot Waive a Demand for Semi-Annual Duty due from a National Bank that has failed.

A demand for semi-annual duty due from a National bank which has failed cannot be waived on the ground that its officers have squandered its assets. No power is vested in the Treasurer to waive any lawful claim of the Government against National banks. The receiver of the bank should make return from the beginning of the period to which duty has been paid to the day the bank was declared closed by the Comptroller of the Currency; otherwise a statement must be prepared at the Treasurer's office under section 41 of the National-Currency Act. *(Letter to the Receiver of the Wallkill National Bank, Middletown, N. Y., June* 3, 1873.)

The Act of December 24, 1872, *requiring Banks to make Semi-Annual Returns to Internal Revenue Officers, does not extend to National Banks.*

The 5th section of the act of December 24, 1872, amends section 110 of the act of June 30, 1872, so as to require persons engaged in banking to make their returns to the internal revenue officers semi-annually, instead of monthly, as before. A proviso to section 110, however, excepts from its requirements associations which are taxed under the National-Currency act. Consequently the 5th section of the act of December 24, 1872, does not apply to National banks, [who should continue to make returns to the Treasurer.] *(Letter to First National Bank, Lewiston, Me., June* 4, 1873.)

Powers of Attorney for Collecting Treasury Drafts must be Witnessed by Two Witnesses.

Under section 1 of the act of February 26, 1853, "all powers of attorney . . . . for receiving payment of any claim upon the UNITED STATES shall be absolutely null and void unless the same shall be freely made and executed in the presence of at least two attesting witnesses . . ." The First Comptroller has rejected powers of attorney for the collection of Treasury drafts because they were not witnessed as required by this act. *(Letter to Merchants' Exchange National Bank, New York, June* 20, 1873.)

All denominations of Legal Tenders are a Legal Tender for any Amount. —National Bank Notes are not a Legal Tender in Payment of Private Debts.

There is no limit placed by law on the amount for which any denomination of legal tender notes is a legal tender. Notes of National banks are not a legal tender for any amount in payment of private debts. *(Letter to Merchants and Planters' National Bank, Augusta, Ga., June* 23, 1873.)

A National Bank cannot deduct Overdrafts from its Average Deposits in Making its Semi-Annual Return.

A National bank is not permitted to make an average of its deposits by deducting overdrafts from its account of deposits. *(Letter to First National Bank, Kewanee, Ill., June* 24, 1873.)

A National Bank that has been Reorganized, Retaining the Same Name, need make but one Semi-Annual Return.

A National bank which has been reorganized during the term for which semi-annual duty is due, but retains the same title, need make but one return for the duty payable by both the old and the new institution, which should cover all the transactions of both. *(Letter to Richmond National Bank, Richmond, Indiana, June* 26, 1873.)

THE LAW OF AGENCY.

THE DEALINGS OF BROKERS.—IMPORTANT DECISION.

The Supreme Court, General Term, of this city, has rendered a decision in a case in which JAMES H. TAYLOR is plaintiff and WILLIAM A. GUEST defendant, which cannot fail to be of interest to all dealers in stocks. The suit was tried before Judge SUTHERLAND, acting as referee, where it appeared by the testimony that on the 4th of November, 1871, Messrs. SCOTT, STRONG & Co., brokers for plaintiff, by the latter's request sent word to the defendant, a broker, that they had $110,000 of the bonds of the Jefferson Railroad for sale. These bonds had no quotable market rate. In response to the message a Mr. POTTER J. THOMAS came from Mr. GUEST to SCOTT, STRONG & Co., and obtained the particulars. A few days subsequently Mr. THOMAS returned to SCOTT, STRONG & Co. with a letter from GUEST, offering sixty per cent. for the bonds, remarking in connection therewith that such was the best pricé he could get. SCOTT, STRONG & Co. accepted the offer, relying on the truth of THOMAS' statement, and delivered the bonds to GUEST, who paid $66,000 therefor. A month subsequent to the sale, SCOTT, STRONG & Co. ascertained that when GUEST made his offer through THOMAS, he had already contracted with DANIEL DREW to take the bonds at $85,000. SCOTT, STRONG & Co. thereupon complained to GUEST, who said THOMAS was not his agent, and he was not responsible for his statements. The present suit then ensued to compel GUEST to pay over to SCOTT & Co. the difference—$19,000.

Judge SUTHERLAND held that as no commissions were paid, and GUEST'S offer had been made in writing and accepted, plaintiff could not recover.

On an appeal taken from this decision, the case was argued at great length by H. S. BENNETT, Esq., on behalf of plaintiff, and Hon. WALDO HUTCHINGS for defendant, before Chief-Justice INGRAHAM, and Judges BRADY and DAVIS, in General Term. The latter Court has now decided to reverse the original judgment, and Judge BRADY, in delivering the formal opinion, says:

The evidence in this case establishes the facts that Mr. SCOTT sent to the defendant's office to say that his firm held the bonds, and wanted to sell them or to find a purchaser for them; that in reponse Mr. THOMAS called, and was advised by Mr. SCOTT that he wanted him to sell the bonds for the best price he could; that THOMAS had previously acted for the defendant in transactions of a similar character; that THOMAS and the defendant obtained an offer of seventy-five per cent. for the bonds; that subsequently THOMAS went to Mr. SCOTT and said that sixty per cent. was the best price he could obtain; that Mr. SCOTT finally accepted the bid, and that defendant gave his checks for the amount of the price of both purchases. It also appears

that Mr. SCOTT, when he learned that the bonds had been sold to Mr. DREW for seventy-five per cent., complained to THOMAS of the circumstance as a fraud, and that the latter admitted having made the statement that sixty per cent. was the best price he could obtain for the bonds. The referee finds that THOMAS made this representation, but adds that it was done without the knowledge of, and without any express direction or authority of or from the defendant. It is not questioned—indeed, it cannot be—that the defendant reaped the benefit of such representation. He gave the checks for the bonds, knowing that he had a purchaser that stood ready to pay him fifteen per cent. advance, and whom he had secured prior to the purchase. The fact that THOMAS represented him, and that he knew it, whether he was ignorant of his mode of negotiation or not, is undoubtedly established by the proof, and on well settled principles he is responsible for the conduct of his agent. (*Story on Agency, pp.* 126, 127, and cases cited; ELWELL *v.* CHAMBERLIN, 31 *N. Y. Reports,* 611; GUTCHERS *v.* WHITING, 46 BARBOUR, 139; *Story on Contracts, vol.* 1, *ch.* 496, *4th ed.; Parsons on Contracts, vol.* 1, *p.* 73, *5th ed.;* ATWOOD *v.* SMALL, 6 H. & F., 488.) The referee finds that Mr. SCOTT had a right to presume, from the relations existing between THOMAS and the defendant, that THOMAS made the statement under consideration as the agent or employe of the defendant, and therefore, whether he knew it or not is, as already suggested, immaterial. He availed himself of the result of the misrepresentation, and he cannot hold it either in law or in morals. It is enough to require him to make restitution, that through the instrumentality of his authorized representative he has obtained improperly what he is called upon to restore, (ELWELL *v.* CHAMBERLIN, *supra.*) No other proposition can be maintained in courts of justice, and the contrary has not been asserted except where the agent has acted beyond the sphere or scope of his powers or authority in reference to the transaction. The statement of the best price was legitimately within it, and was one, as stated by the learned referee, upon which Messrs. SCOTT, STRONG & Co. had a right to rely. This is not the case of an offer made by a person contemplating a purchase, where the right undoubtedly exists to make any bid which judgment or fancy may dictate. It is, on the contrary, a transaction in which the dealing rested upon the statement and belief that the price named was the best that could be obtained, made by a person acting on behalf of the seller, or pretending to do so, no matter which. The omission or intention not to pay a commission does not affect the question. The proof that brokers do not charge it, as against each other, is not material in this case. The fraudulent element which pervades the transaction destroys all minor consideration. (See CONKEY *v.* BOND, 34 BARBOUR, 276; same case in Court of Appeals, 3 ABBOTT, N. S., 415.) And it may be said, in addition, that the defendant's gain by the sale which he made was, no doubt, entirely satisfactory, rendering insignificant the amount a commission would furnish. It seemed, therefore, that whether we accept the findings of the referee or group them from the testimony, this judgment should be reversed, and such must be the order of the Court.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 127, August No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of July, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

JULY.		1873.		1872.		1871.		1870.		1869.		1868.	
1	Tuesday ..	15⅛	15½	13¾	14	13⅛	13¼	12⅛	12¼	37⅛	37¾	**40⅛**	40⅝
2	Wednesday	**15**	15⅜	13⅝	13⅞	Sun.		11¾	12¼	36⅞	37¾	40⅜	40½
3	Thursday..	15⅛	15¼	13¾	13¾	—	—	Sun.		36¾	37¼	40¼	40½
4	Friday	Holiday.		Holiday.		—	—	Holiday.		Sun.		Holiday.	
5	Saturday ..	do.		13⅝	13¾	13⅝	**13⅝**	11⅝	11⅞	Holiday.		Sun.	
6	**Sunday.**	Sun.		**13½**	13¾	13⅛	13½	**11⅛**	11¾	35⅝	37	40½	40¾
7	Monday ...	15⅛	15⅜	Sun.		13⅛	13¾	11¼	12⅛	**34**	35¼	40½	41
8	Tuesday ..	15¼	15⅝	13⅝	13¾	13⅛	13¼	11¾	12¼	35⅛	36	40⅝	41
9	Wednesday	15⅝	15⅞	13¾	13⅞	Sun.		12	12¾	35⅝	36⅜	40⅝	—
10	Thursday..	15⅝	15⅞	13¾	14	12⅝	12⅞	Sun.		35⅝	36	40⅝	40⅞
11	Friday	15¾	16⅛	13⅞	14	12¼	12⅜	13⅛	15⅛	Sun.		40⅞	41¼
12	Saturday ..	15⅞	16⅛	13⅞	14⅛	12½	12¾	13	14⅛	36¼	36⅞	Sun.	
13	**Sunday.**	Sun.		14	14⅛	12⅛	12⅝	12	12¾	36⅞	**37⅞**	41¼	41⅞
14	Monday ...	15¾	16	Sun.		12	12⅛	12⅞	13⅞	36⅞	37⅝	41⅝	42⅛
15	Tuesday...	15⅝	16	14⅛	14⅜	12⅛	12⅜	14	15½	36¾	37¼	41⅞	42⅝
16	Wednesday	15⅞	16⅛	14⅜	14⅝	Sun.		16⅛	16¾	36	36⅞	42¼	42⅞
17	Thursday..	15¾	16	14½	14¾	12¼	12⅜	Sun.		35¼	35⅞	42⅞	43⅜
18	Friday	15¾	16⅛	14⅜	14¾	12⅜	12½	17¾	**22¾**	Sun.		43¼	44
19	Saturday ..	15⅞	16⅛	14¼	14½	12¼	12½	20⅝	22½	35⅝	36¼	Sun.	
20	**Sunday.**	Sun.		14¼	14½	12⅜	12⅝	21⅝	22⅝	35	35⅝	42⅞	43⅜
21	Monday...	16	16⅜	Sun.		12	12¼	20½	21⅞	34⅞	35½	42⅝	43¼
22	Tuesday ..	16	**16⅜**	14⅛	14⅜	**11¾**	12	18⅜	20⅛	35⅛	35½	43	43⅜
23	Wednesday	15¾	16⅛	14¼	14⅝	Sun.		19⅝	20⅜	35¼	35¾	43⅛	43⅜
24	Thursday .	15⅝	15⅞	14⅜	14⅝	11¾	12	Sun.		35⅝	36½	43⅛	43½
25	Friday	15⅝	15¾	14½	14⅝	12⅛	12⅜	20½	21¼	Sun.		43⅛	43⅝
26	Saturday ..	15½	15¾	14⅝	14¾	12¼	12½	20⅞	21⅝	36⅜	37½	Sun.	
27	**Sunday.**	Sun.		14½	14¾	12	12⅝	21	22	36½	37⅜	43½	44¼
28	Monday...	15½	15¾	Sun.		12	12⅛	21⅝	22	36⅛	36¾	43¾	44½
29	Tuesday ..	15⅝	15⅞	14⅝	14⅞	12	12¼	20⅝	21¾	35⅝	36⅜	44	44½
30	Wednesday	15¾	15⅞	14¾	15	Sun.		20½	21	36⅛	36¾	44⅜	45¼
31	Thursday..	15⅝	15⅞	15	**15¼**	12	12⅛	Sun.		36⅛	36½	44⅝	**45¼**

The gold market for July, 1873, exhibits a range of 1⅜ premium, or from the lowest quotation of 15 to the highest of 16⅜. The market has not yet reached the low premium recorded in July, 1872 (13½ *a* 15¼); or July, 1871 (11¾ *a* 13⅝); or July, 1870 (11⅛ *a* 22¾).

The foreign report of gold for seven months of 1873 has been $37,000,000; the remittances of government bonds being largely in lieu of gold.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page* 128, *August No.*)

STOCKS.	MAY, 1873.		JUNE, 1873.		JULY, 1873.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	119	122⅝	122¼	123⅛	119¼	120⅛
" Five-Twenty of 1862, "	114⅞	116¾	115⅞	117⅛	116½	117½
" " 1864, "	114½	116¼	116¼	117¼	116½	117¾
" " 1865, "	117⅛	118¼	116⅝	119⅛	118	119½
" " 1865, New, "	117⅝	119¼	118⅞	120¾	116	118⅞
" " 1867, "	119¼	121⅞	120⅝	121⅞	117¼	119⅛
" " 1868, "	117⅞	120½	119⅞	120⅞	117½	118¾
" Ten-Forty Coupon Bonds	113⅝	114⅝	112⅞	115	114¼	115½
" Five per cent. of 1881	115¼	116¼	114⅝	115¾	114⅝	115⅞
" Six per cent. Currency	115	116¼	113¼	114½	114¼	115½
Tenn. Six per cent. Bonds, Old	79	82	79	81	80¼	81⅝
" " " New	78½	82	78½	80½	79¾	81½
Virginia Six per cent. Bonds, Old	..	..	43½	43½	..	..
" " " New	..	..	..	..	50	50
" " " Consol	52½	54⅝	54⅝	55¼	52¾	54⅛
N. Carolina Six per ct. Bonds	27	27½	26	28	28	28
" " New	..	..	16	16	16	16
" " Special Tax	15	15	12¾	12¾	13	14
S. C. Six per ct. Bds. Jan. & July	15	17½	15¼	16¼	14½	15¼
" " April & Oct.	28	28	25	25¼	20¼	20¼
Missouri Six per cent. Bonds	93½	94¼	93⅞	97	92	94
Canton Company of Maryland	93½	110	99	101	99½	103
Delaware and Hudson Canal Co.	114¼	117½	118	119	114½	120
Consolidated Coal Co. of Maryland	54½	57⅛	49½	54⅝	54	55¾
Quicksilver Mining Company	36	40¾	38	41½	37	39½
" " Preferred	47	50	49¼	50¾	48	48
Mariposa Mining Company	..	..	..	..	..	..
" " Preferred	..	..	½	1	..	..
Western Union Telegraph Co.	84	88⅛	81⅛	86½	84¼	93½
Pacific Mail Steamship Company	39¾	57⅝	35¼	41⅝	34½	40
Adams Express Company	93	96	93	94¾	94¼	95
Wells, Fargo & Co. Express Co.	79⅞	82	80	83	72	78
American Merchants' Union Express	67	69	63¼	68¾	61½	65
United States Express	70	74	70½	72	65⅝	73
N. Y. Cent. and Hudson River R. R.	99⅝	102¼	100⅝	102⅛	101¾	105¾
Erie Railroad, Common	59¼	65⅝	61⅝	65⅝	58	65½
" Preferred	72	74	71	74½	71½	73½
Harlem Railroad, Common Shares	122½	131	124	132¾	125	134
Reading Railroad Shares	..	..	..	..	..	..

Stocks.	May, 1873. Lowest.	Highest	June, 1873. Lowest.	Highest.	July, 1873. Lowest.	Highest.
N. York & New Haven R.R. Shares..	137½	140	132½	140¼	134	138
Michigan Central Railroad Co.....	103½	105½	95	102½	90	95½
Lake Shore & Mich. Southern R.R..	89⅝	93	90¼	94⅝	91⅜	96½
Panama Railroad Company Shares..	109	117¾	108	112⅝	110	117¾
Union Pacific Railroad " ..	25¼	32¾	22	28⅝	24½	29½
Illinois Central Railroad " ..	113½	118	105	114	106	110½
Cleveland & Pittsburgh R.R. " Gtd.	87	89¾	87⅛	88	86	89¼
" Col., Cinn. & Ind. R.R...	86½	90	84¼	88	85	89
Chicago, Rock Island & Pacific R.R.	107	111⅝	107¾	110⅞	108⅞	111¾
" Burlington & Quincy "	107	109½	103¾	105	98¼	105
" & Alton Railroad Shares..	110¼	111½	108	110	108½	109½
" " " Pref.	..	..	112	112½	..	..
" & Northwestern R.R. Shares	78	82	70½	76	68⅛	71⅜
" " " Pref.	84½	87½	81	85	80½	84
Del., Lackawanna & West. R.R. Co.	100	105	96	106	97¼	102⅛
Pittsb'gh, Ft. Wayne & Chic., Guar.	93	93¾	93⅛	95	93¼	93¾
Toledo & Wabash R.R. Co. Shares.	67¾	70⅝	64¾	69¾	68⅛	73⅛
" " " Pref.	..	..	..	..	85	85
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
" " " Pref.	..	..	..	..	..	..
Ohio & Mississippi R.R. Co. Shares	40⅝	44⅛	36⅝	41⅞	38½	41¼
Hannibal & St. Joseph R.R. "	35	42	32	37¼	36¾	42
" " " Pref.	..	..	54	54½	54¼	60
Milwaukee & St. Paul R.R. Shares	53½	58⅞	49⅝	55⅝	50¾	53⅞
" " " Pref.	71½	73⅞	70¾	73	72½	74¾
Boston, Hartford & Erie R.R. Shares	2⅛	3⅛	2	3	2¾	3
Col., Chic. & Ind. Cen. R.R. Shares	29⅝	37½	26½	31¾	27¾	33¾
Dubuque & Sioux City Railroad...	..	..	..	..	54	58
New Jersey Central Railroad Shares	102	106¼	105	106⅛	101½	105¾
Morris & Essex Railroad Shares...	92	94	90½	95	91	92½
N. Y. Central Six p. ct. Bds. of 1883	90	92½	90½	93	93	94
Erie First Mortgage Bonds of 1868..	101	101½	101⅞	102½	102½	104
Long Dock Bonds................	97¾	99	96¼	96½	96	96
Mich. Southern Sinking Fund Bonds	101	103	103	104	103	105
" Seven p. ct. 2d Mtge.	97	98¼	98	99	98¾	99½
Central Pacific 1st Mortgage Bonds	102¼	103¾	102⅞	103½	99⅞	101¼
Union " " "	85	87	86	87¼	81	86
" " Land Grant Bonds..	68	75¼	67½	71½	69½	72
" " Income Bonds......	58	73	57	63⅞	59¼	61
Alton & Terre Haute 1st Mtge. Bds.	99	100	100	102	98	98¼
" " 2d " Pref.	88	88½	88½	90	90	90¾
" " " Income Bds.	78	78	78½	80	78	78
Belleville & So. Ill. 1st Mtge. 8 p. ct.	96	97	97¼	97¼	..	..
Chic. & N. W. Consol'n S. F. Bonds	89	89¾	89½	91¼	92	93¼
" " 1st Mortgage Bonds..	98½	101¼	100½	102	101	102
Cleveland & Tol. Sinking Fund Bds.	102	104	104¼	104¼	..	..
" & Pittsb'gh Consol'n Bds.	..	..	94	94	95	95
" " Second Mtge.	100	100	102	102	102⅛	102⅛
" " Third "	97¼	97½	98½	98½	98¼	98½
" " Fourth "	85½	87	..	..	85	85¼
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	103½	104⅛	104½	106½	102¾	103
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds.	97⅞	98½	97⅞	100½	100	102
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	86⅝	89¾	87¾	89	88½	89
" " " " 2d "	70	73½	70	72	71½	72½
Toledo, Peoria & Warsaw 1st, E D.	91	93½	91	91	91	91
" " " 1st, W D.	88	88⅞	89	89½	90	90½
" " " 2d, W D.	74	74	75	77	75	76
Cedar Falls & Minn. 1st Mtge. B ls.	80	81	81	81½	78½	80
Boston, Hart. & Erie 1st Mtge. Bds.	34¼	38¼	28	35½	32	34½

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, *to August* 1, 1873.

	Jan. 1, 1869.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*July* 1, 1873.	*August* 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	200,000,000	231,204,100
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	998,502,300	998,290,800
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,695,805,950	$ 1,726,798,550
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad.	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$ 7,463,503	$ 7,315,822	$ 1,739,938	$ 4,084,220	$ 51,929,710	$ 20,691,170
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 356,079 968	$ 356,079,967
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	44,799,365	44,372,467
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	39,460,000	42,831,800
Currency, do. do.	....	....	....	25,370,000	31,730,000	33,570,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 472,069,333	$ 476,854,234
Aggregate Debt	$ 2,652,533,662	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,299,106,505	$ 2,303,645,466
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	129,020,932	123,030,875
Debt, less coin and currency	$ 2,540,707,201	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,170,085,573	$ 2,180,614,591

Coin in the Treasury, August 1, 1873, $ 80,144,186; Currency, $ 42,886,689 ; total, $ 123,030,875.

THE NATIONAL BANKS.

The following is the statement of the condition of the National banks of the United States on the 25th of April last, giving the resources and liabilities of all the National banks of the country, to which we add the figures for the corresponding period of last year:

Resources.

	April 25, '73.		April 19, '72.
Loans and discounts	$ 908,071,471	..	$ 841,069,414
Overdrafts	3,990,795	..	3,832,838
U. S. bonds to secure circulation	386,763,800	..	374,428,450
U. S. bonds to secure deposits	16,235,000	..	15,169,000
U. S. bonds and securities on hand	9,613,550	..	19,292,100
Other stocks, bonds and mortgages	22,449,146	..	21,538,914
Due from redeeming and reserve agents	88,815,557	..	82,120,017
Due from other National banks	38 671,088	..	36,697,592
Due from State banks and bankers	12,883,353	..	12,299,716
Real estate, furniture and fixtures	34,216,878	..	30,809,274
Current expenses	7,410,045	..	7,026,041
Premiums	7,559,987	..	6,544,279
Checks and other cash items	11,277,715	..	12,461,171
Exchange for clearing house	94,132,125	..	114,195,966
Bills of other National banks	19,276,210	..	18,443,652
Bills of State banks	38,992	..	49,180
Fractional currency	2,198,973	..	2,143,249
Specie	16,868,808	..	24,433,899
Legal-tender notes	99,935,287	..	103,308,461
U. S. certificates of deposit for legal tenders	17,215,000	..	——
Clearing-house certificates	2,612,493	..	13,579,000
Three-per-cent. certificates	10,000	..	4,210,000
Total	$ 1,800,303,280	..	$ 1,743,652,213

Liabilities.

Capital stock	$ 487,891,251	..	$ 467,924,318
Surplus fund	115,805,574	..	104,312,525
Undivided profits	52,415,348	..	46,428,590
National bank notes outstanding	338,163,864	..	325,305,752
State bank notes outstanding	1,280,208	..	1,763,885
Dividends unpaid	1,462,336	..	1,561,914
Individual deposits	616,848,358	..	620,775,265
U. S. deposits	7,880,057	..	6,355,722
Deposits of U. S. disbursing officers	4,425,750	..	3,416,371
Due to National banks	126,631,926	..	120,755,565
Due to State banks and bankers	35,036,433	..	35,005,127
Notes and bills rediscounted	5,403,043	..	4,075,622
Bills payable	7,059,132	..	5,971,557
Total	$ 1,800,303,280	..	$ 1,743,652,213
Number of banks	1,962	..	1,844

The number of banks has risen, during the twelve months compared, from 1844 to 1962—an increase of 118; and the capital stock has increased from $467,900,000 to $487,900,000—a gain of twenty millions, or an average of about $161,000 for each of the new banks. The loans and discounts stand at $908,000,000—an increase of $67,000,000, which shows the large increase in the extent of banking accommodation required by the country; while the deposits show a decrease of $1,500,000, which equally indicates the "scarcity of money" (to use the common though ambiguous phrase). Towards the increased loaning capacity required by the expansion of sixty-seven millions in the loans and discounts, $20,000,000 is contributed by new capital, $11,500,00. by addition to the "surplus fund," and $6,000,000 by increase of "undivided profits." In the absence of any increase of deposits, this increase of $37,500,000 in capital resources owned by the banks is not quite adequate to the expansion of loans we have noted; for the capital resources of the banks have generally amounted to 75 per cent. of the loans and discounts, while the present gain in those resources is only about 58 per cent. of the increase in the loans. This fact indicates the pressure for advances under which the banks are placed by those derangements in the money market to which we have repeatedly alluded. The issue of bank notes stands at $338,163,864 — an increase of about $12,800,000; the actual circulation, however, is still nearly sixteen millions below the amount authorized by law. It is deserving of note that the amount of government bonds on hand has fallen, during the twelve months, from $19,292,100 to $9,613,550. To a certain extent, the decrease of these investments may be due to the high prices at which the bonds are selling; but it is mainly attributable to the fact that the banks are compelled to sell out their securities in order to meet the urgent wants of their customers, whose loans yield them a better rate of interest than the five per cent. realized on the market value of governments.

NEW YORK BANK DIVIDENDS.

Payable February and August, 1873; with the surplus profit of each.

Name.	Capital.	Dividends. Feb.	Dividends. Aug.	Surplus.
* German-American Bank	$2,000,000	4	4	$47,100
* Manhattan Bank	2,050,000	5	5	1,121,400
* Corn Exchange Bank	1,000,000	5	5	566,400
* Pacific Bank	422,700	†3	†3	360,400
National Bank of the Republic	2,000,000	4	4	403,600
St. Nicholas National Bank	1,000,000	4	4	196,900

* State Banks. † Quarterly.

BANKING AND FINANCIAL ITEMS.

New Trade Dollar. See p. 135, *August No.*

THE TAXATION OF LEGAL TENDER NOTES.—Several inquiries having been made as to the exemption of greenbacks from State Taxation, we call attention to the following clause in Section 1, of "An act to provide ways and means for the support of the Government, and for other purposes," approved June 30, 1864. (*Page* 147, *Loan Acts*):

"And all bonds, treasury notes, and other obligations of the UNITED STATES **shall be exempt from taxation** by or under State or municipal authority."

The above act, in full, and also all acts of Congress relating to loans, are published in one volume, octavo, at the office of the BANKER'S MAGAZINE.

GOVERNMENT BONDS.—The Secretary of the Treasury has issued the following circular:

TREASURY DEPARTMENT, August 16, 1873.

By virtue of the authority given by the act of Congress, approved July 14, 1870, entitled, "An act to authorize the funding of the national debt," I hereby give notice that the principal and accrued interest of the bonds herein below designated, known as five-twenty bonds, will be paid at the Treasury of the UNITED STATES, in the city of Washington, on and after the 16th day of November, 1873, and that the interest on said bonds will cease on that day, that is to say:

Bonds known as the third series, act of February 25, 1862, dated May 1, 1862, as follows: Coupon Bonds—$50, No. 6,201 to No. 10,200, both inclusive; $100, No. 20,001 to No. 30,750, both inclusive; $500, No. 10,701 to No. 15,800, both inclusive; $1,000, Nos. 22,601 to 26,000, both inclusive. Total, $13,000,000.

Registered Bonds, $50, Nos. 1,321 to 1,375, both inclusive; $100, Nos. 9,501 to 10,300, both inclusive; $500, Nos. 5,701 to 6,100, both inclusive; $1,000, Nos. 23,301 to 25,000, both inclusive; $5,000, Nos. 7,501 to 7,900, both inclusive; $10,000, Nos. 9,681 to 10,100, both inclusive. Total, $2,000,000; grand total, $15,000,000.

Of the amount outstanding embraced in the numbers as above, $13,000,000 are coupon bonds, and $2,000,000 are registered bonds. United States securities forwarded for redemption should be addressed to the "Loan Division, Secretary's office;" and all registered bonds should be assigned "to the Secretary of the Treasury for redemption."

WILLIAM A. RICHARDSON, Secretary.

THE NEW TEN-DOLLAR NOTE.—The Comptroller of the Currency has issued the following circular to the National banks:

The Secretary of the Treasury has advised me that, under a provision of the act of March 3, 1873, making an appropriation of $600,000 for replacing the worn and mutilated circulating notes of National banking associations, and for engraving and preparing, in such manner and on such paper and of such form and design as the Secretary of the Treasury may prescribe, new circulating notes for such associations to replace notes of a design and denomination now successfully counterfeited, provided that each of said National banking associations shall reimburse the Treasury the costs of the circulating notes furnished under this provision. He has directed the Superintendent of the Bureau of Engraving and Printing to prepare at once a new $10 plate for National bank notes, from which shall be printed upon the distinctive paper designated by the Secretary for use in the printing of bonds and notes, and other obligations of the UNITED STATES, all the $10 notes hereafter required to be printed for National banks. The $10 notes already printed and on hand will be delivered to the National banks as usual for the present, but no new notes of that denomination will be ordered to be printed from the old plates. National bank notes of other denominations will be printed and furnished as heretofore, without expense to the banks until otherwise advised. JOHN JAY KNOX,

Comptroller of the Currency.

CALIFORNIA.—Mr. THOMAS BROWN was in July elected Cashier of the BANK OF CALIFORNIA, at San Francisco; Mr. WILLIAM C. RALSTON, Cashier since the establishment of the bank, succeeds Mr. DARIUS OGDEN MILLS, as President. The bank has branches or agencies at Virginia City, Gold Hill and White Pine, and issues letters of credit and bills negotiable at London, Hamburg, Dublin, Leipsic, Paris, Antwerp, Frankfort O. M., Berlin, St. Petersburg, Shanghai, Hong Kong, Melbourne, Sydney, Auckland, Honolulu, Yokohama, and Locano.

CONNECTICUT.—THE NEW USURY LAW, passed June, 1873, forbids the charging, directly or indirectly, more than seven per cent. per annum, for loans of money, and imposes, as a penalty, the forfeiture of the principal to *any person* who shall, within one year thereafter, sue for the same. By a section of an old law, still kept in force, no contract shall be deemed usurious by reason of the borrowers paying or agreeing to pay the taxes assessed and paid upon the sum loaned or the insurance upon the estate mortgaged to secure the same. This law of 1873 is especially objectionable, in giving permission to any person to investigate transactions involving the payment of a higher rate of interest than is allowed, and to recover the amount loaned.

THE LIABILITY OF INDORSERS.—The decision of the Supreme Court in the case of WILLIAM KIRSCHNER *v.* JAMES H. CONKLIN, of this city, is one of interest to those who give accommodation indorsements. The facts found by Judge STODDARD, who heard the evidence, are as follows: In 1871, JOHN RATHGEBER made a note for $500, and applied to the NEW HAVEN COUNTY NATIONAL BANK for a loan. The bank refused to loan the $500 unless RATHGEBER furnished an indorser. He procured the indorsement of JAMES H. CONKLIN, and subsequently he procured the indorsement of KIRSCHNER, both knowing they were accommodation indorsers, and the plaintiff in fact relying upon the indorsement of CONKLIN. There were several renewals of the note until RATHGEBER paid $50 on it, and then on April 8, 1872, gave a note for $450, which CONKLIN and KIRSCHNER, both indorsed as accommodation indorsers. They both indorsed all the renewal notes, KIRSCHNER relying upon the indorsement of CONKLIN. The former would not have indorsed, the Court found, if the note had not been previously indorsed by CONKLIN. In each case of renewal, and on the last note given, CONKLIN was the first indorser. When the note fell due it went to protest, and KIRSCHNER paid it and demanded payment of CONKLIN, who refused to pay, and this suit was brought. Judgment was given in the Common Pleas Court for the plaintiff to recover the $450 and interest. This judgment the Supreme Court by its decision affirmed.

—*New Haven Journal.*

GEORGIA.—The GEORGIA HOME BANK of COLUMBUS transacts a general

banking business, and offers its services to correspondents having collections throughout the State. President, J. RHODES BROWNE; Cashier, GEORGE W. DILLINGHAM. New York correspondents, JOHN J. CISCO & SON.

ILLINOIS.—The ILLINOIS TRUST AND SAVINGS BANK has been organized in Chicago. The new bank not only begins with a respectable paid-up capital—larger, with one exception, than that of any other savings bank in the city—but its organization of directors and officers is such as to inspire confidence. Four of its directors are active, practical bankers, three of them being now prominent men in as many different National banks in Chicago, viz.: Messrs. W. F. COOLBAUGH, of the UNION NATIONAL; GEORGE STURGES, of the NORTH-WESTERN NATIONAL; JOHN DE KOVEN, of the MERCHANTS' NATIONAL; and Mr. L. B. SIDWAY, late of the STATE SAVINGS INSTITUTION. The new bank will, in addition to its saving business, give special attention to the management of trust funds. In this class of business the well-known character for integrity and success in business of all the directors, will at once give it a prominent position.

Decatur.—The NATIONAL BANK OF DECATUR, Macon County, (No. 2124), was organized in August, with a capital of $ 100,000. President, ROBERT G. HERVEY; Cashier, JAMES STEELE.

ILLINOIS.—The VERMILION COUNTY BANK has been established at Danville, ILLINOIS, with a capital of $ 100,000. President, WILLIAM P. CANNON; Cashier, JESSE R. HOLLOWAY. Their New York correspondents are Messrs. GILMAN, SON & CO.

INDIANA.—The DANVILLE BANKING COMPANY commenced business in July. ZENO HADLEY, President; N. T. HADLEY, Cashier. Their New York correspondents are WINSLOW, LANIER & CO.

Plymouth.—THE FIRST NATIONAL BANK of MARSHALL COUNTY, (No. 2119), was organized in July, with a capital of $ 34,000, limited to $ 50,000. President, M. A. O. PACKARD; Cashier, JOHN SOICE.

MASSACHUSETTS.—The City Treasurer of Boston is duly authorized to issue six-per-cent. currency bonds of the city of Boston, payable in twenty or thirty years, with coupons or registered, in bonds of not less than one thousand dollars, interest payable semi-annually.

LOANS ON GOLD.—The Comptroller of the Currency has been making a special inspection of the returns of the banks of New York, with a view of settling the question of the proportion of gold held by them as security for advances of currency, which they are counting as reserve. Having found a very large amount of specie coming within the category named, he has, after due deliberation, decided that this practice of reckoning as reserve gold belonging to pledgers is irregular, and cannot longer be permitted. The Boston banks have not taken on gold in the way in question to anything like the extent of New York city, yet the last clearing-house return of Boston banks shows that two or three of our banks have been doing a pretty large business of the sort named.
—*Boston Commercial Bulletin.*

Pittsfield.—Mr. THOMAS D. COLT, of Pittsfield, MASS., who has failed with liabilities of half a million of dollars, is well known in business circles, particularly among the paper dealers, for he has been one of the largest paper manufacturers of the State, turning out of his first-class paper mills at Coltsville, an immense amount of blank book and other kinds of paper. He is also familiarly known in banking circles as the President of the PITTSFIELD NATIONAL BANK. This bank holds considerable of his paper—not exactly the product of his factory, but paper promises to pay, bearing his signature on face or back. The PITTSFIELD NATIONAL BANK has a capital of $ 500,000, with a surplus of $ 192,000. Mr. NEEDHAM, the National bank examiner, has just made an examination of the PITTSFIELD NATIONAL, and reports that THOMAS COLT, the last President, is as maker and endorser on $ 62,500 of paper held by the bank, which is protected by responsible names, leaving no reason to anticipate any loss to the bank by the failure of its late president.—*Ibid.*

MISSOURI.—The BOATMEN'S SAVINGS INSTITUTION, which has been in operation several years at St. Louis, having been re-organized under the laws of the State of MISSOURI, will commence business on 1st of October next, under the title of the BOATMEN'S SAVINGS BANK. The present officers continue. President, R. J. LACKLAND; Cashier, WILLIAM H. THOMSON. The bank has a paid capital of two millions of dollars.

MINNESOTA.—The FARMERS' NATIONAL BANK OF OWATONNA, Steele County, (No. 2122), was organized in July, with a capital of $ 50,000, limited to $ 100,000. President, LEONARD L. BENNETT; Cashier, ALONZO C. GUTTERSON. Their New York correspondent is the FOURTH NATIONAL BANK.

NEBRASKA.—The FIRST NATIONAL BANK OF ASHLAND, Saunders County, (No. 2121), was organized in July, with a capital of $ 30,000, limited to $ 50,000. President, JASON G. MILLER; Cashier, JOHN SIMINGTON. Their New York correspondent is the NEW YORK NATIONAL EXCHANGE BANK.

NEW JERSEY.—An equity decision of some importance to New York savings banks and insurance companies, has been rendered by Chancellor BUNYON, of NEW JERSEY. A. W. DIMMOCK and FREDERICK BUTTERFIELD borrowed money from the THIRD AVENUE SAVINGS BANK of New York, giving a mortgage on property belonging to DIMMOCK in Elizabeth, N. J. The money not being paid, suit was brought to foreclose the mortgage and decided in favor of the plaintiffs. Defendants then applied for permission to change their defense, so as to show that the bank had no right, under its charter, to take a mortgage on lands in NEW JERSEY. The Chancellor decided that the defendant, having had the money and used it, could not, in equity, set up any such defense now.

SUSPENSION OF A SAVINGS BANK.—The HOBOKEN SAVINGS BANK closed its doors on Friday, August 1. Its Treasurer, FREDERICK KLENNEN, is reported to be a defaulter to the amount of $ 50,000. The bank had issued a notice to all depositors to send in their pass-books before July 15, "for the purpose of entering therein the amount of interest due on the several accounts, and also to compare them with the books of the bank." It appears that the defaulting cashier had been in the habit of receiving deposits, entering a smaller amount in the bank ledger and putting the balance in his pocket. He also appears to have drawn money from different deposit accounts by means of forged drafts, making the entry of such draft on the books of the bank. Without the pass-books it was impossible to find out the amount of these defalcations, or the exact condition of the bank, although a large extra force of accountants has been engaged for the purpose. Finding the depositors unwilling to leave their pass-books for examination, the directors decided not to receive or pay any more money until the examination had been completed, when the actual condition of the bank's affairs will be known. The Secretary of the bank, Mr. HOYT SANDFORD, said he was sure that the bank had assets enough to pay every dollar, but that it would require time to realize the securities. It will be fortunate when the whole truth in this case becomes known, if the condition of the bank be found to vary essentially from too many which have preceded it.

NEW YORK.—BANK STOCK.—The Comptroller of the State of NEW YORK has issued a circular to the assessors, directing them to assess all bank stock in the name of the individual shareholders at its true value, including any surplus, and in no case to assess the stock below par without proper evidence that its value has been reduced by losses actually charged over in the books. The assessment of surplus has heretofore been exempted, and there has been no uniformity in taxing this kind of stock.

THE WATERFORD BANK ROBBERY.—A TEST CASE AND A NOVEL LEGAL QUESTION.—SLADE *v.* SARATOGA COUNTY NATIONAL BANK. Action to recover for bonds deposited with defendant. The complaint alleges that plaintiff, about six years since, desiring to have a credit with defendant, to be able to procure the discount of notes, without procuring the indorsement of third parties, and to overdraw to a limited extent his amount of deposit with the defendant, deposited as collateral security with said bank, $ 3,000 in 5.20 bonds;

that defendant received the same, agreeing to return them to plaintiff on demand, provided that defendant at such time had no claim against plaintiff by reason of said credit, discounting or overdrawing; that defendant negligently and carelessly kept said bonds and did not return them to plaintiff when duly demanded so to do; that plaintiff is not in any way indebted to said bank.

Defendant denies that said bonds were deposited collaterally, but alleges that they were left with defendant's cashier for safe keeping at plaintiff's risk; that they were stolen from the bank vault with others in October, 1872, and that plaintiff never drew checks upon said bank otherwise than upon funds specifically deposited for that purpose. The decision in this case will be anxiously awaited, as many of the losers by said robbery propose to bring similiar actions against the bank, should plaintiff recover.—*Albany Times.*

OHIO.—The GERMAN BANKING COMPANY has commenced business at No. 36 West Third Street, Cincinnati, with a capital of $250,000. President, LEOPOLD BURCKHARDT; Vice-President, JOHN HAUCK; Cashier, CHARLES RICE. The directors are all successful and highly respected business men. Their names will be found in the card of the new bank on the cover of this work. Their New York correspondent is the NINTH NATIONAL BANK.

Cincinnati.—The GERMAN-AMERICAN BANK of Messrs. HAKMAN, HENGEHOLD & CO., is established at No. 79 West Third Street, and offer their services to correspondents, as dealers in government bonds, gold, and domestic and foreign exchange. Their New York correspondent is the GERMAN-AMERICAN BANK. Their card will be found on the cover of the BANKER'S MAGAZINE.

PENNSYLVANIA.—The total debt of the State of PENNSYLVANIA, according to a detailed statement of the Commissioners of the Sinking Fund of the Commonwealth, on the 1st of July, 1873, was $26,656,262, included in which is $861,000 of registered loan on which interest ceased July 31, 1873, and is payable on demand. Of the aggregate debt, $4,423,500 bears coin interest at 4½, 5 and 6 per cent., and $21,372,950 bears currency interest at 5 and 6 per cent. There is $158,233 of debt on which interest has been stopped, $100,724 which bears no interest, $100,837 Chambersburg certificates bearing 6 per cent. currency interest, and $500,000 of agricultural land scrip fund, bearing 6 per cent. interest.—*Philadelphia Ledger.*

THE DEBTS OF THE SOUTHERN STATES are summarized in the following: In VIRGINIA, Governor Walker states that the public debt amounts to $26,000,000. This is one-third less than the amount previously stated, that portion having been shifted to WEST VIRGINIA, which we believe will not assume the responsibility of it. In October last, the debt of NORTH CAROLINA was stated at $29,900,045. The debt of TENNESSEE, in January last, was reported at $20,966,382; it having been announced at about thirty-two millions the previous year. The difference was in rail-road bonds that have been liquidated. In SOUTH CAROLINA considerable difference of opinion exists as to what the State debt really is, but the largest amount reported is that by the Committee of Congress on Southern Affairs, in which the minority report gave it at $29,158,914. GEORGIA'S debt, on January 1, was $15,961,500, with a liability to be increased if certain projected railways should be constructed. FLORIDA, with a similar liability, has a debt of $5,512,269. MISSISSIPPI, on January 1, 1871, reported a debt of $1,145,726. ARKANSAS, adding to the bonded debt all prospective and contingent liabilities, has a total of $14,390,000, according to the report of the Congressional Committee. In LOUISIANA, on January 1, 1873, the debt was reported at $21,801,800. In TEXAS the debt was $3,836,237 on September 1, last year. The total of these debts is a little more than one hundred and eighty millions of dollars. At the close of the war in 1865, these eleven States owed about one hundred and thirty millions.—*Ibid.*

VERMONT.—The FIRST NATIONAL BANK OF CHELSEA, Orange County, (No. 2120), was organized in July, with a capital of $50,000, limited to $100,000. President, ELIHU HYDE; Cashier, JOHN C. CLARK.

WISCONSIN.—The FIRST NATIONAL BANK OF SHEBOYGAN, (No. 2123), was organized in July, with a capital of $50,000. President, JOSEPH W. DOW; Cashier, WILLIAM C. TILLSON. Their New York correspondent is the GERMAN-AMERICAN BANK. This bank succeeds the BANK OF SHEBOYGAN.

WISCONSIN.—*Chippewa Falls.*—The FIRST NATIONAL BANK OF CHIPPEWA FALLS (No. 2125), was organized in August, with a capital of $65,000, limited to $75,000. President, THOMAS L. HALBERT; Cashier, V. W. BAYLESS.

THE VIENNA BANKS.—There are 124 banks in Vienna; of these, one is 57 years old, one 31 years, and one 20 years. There are five banks between 10 and 20 years, three 9 years, two 6 years, six 5 years, twenty-two 4 years, two 3 years, sixteen 2 years, fifty-four 1 year, and eleven less than 1 year. In the late financial panic in Vienna, none of the banks founded between 1816 and 1868 failed. Of the twenty-two founded in 1869, forty-one per cent. have failed. The two founded in 1870 are still sound, Fifteen per cent. of the sixteen banks founded in 1871 have failed. Of the fifty-four founded in 1872 there have failed 40.7 per cent., and of the eleven founded in 1873 there have failed 45.4 per cent. These figures are strong proof that the financial panic in Vienna was due to overtrading and wild speculation.

VIENNA is said to have at present in session a sort of commercial parliament, which has assembled for the purpose of considering certain proposals, which are to be submitted to the government, with a view of changing the system of credit in vogue there, so as to prevent financial crises and interruptions of business, like those caused by the recent failures on the Vienna stock exchange. The representatives of various chambers of commerce and other similar bodies throughout AUSTRIA are in attendance, and the remedies proposed are a reform in the system of granting concessions, legislative authority for the issue of bank notes by private bankers, and for making the directors of joint stock companies personally responsible for losses caused by bad management or reckless speculation.

BANK NOTE PAPER.—We invite special attention to the advertisement of the NATIONAL SAFETY PAPER, which seems to fully meet every requirement for security against fraudulent alterations. Its value can hardly be estimated until we consider the vast amount of exchanges of value that are constantly moving about the world, on the simple security of a few trails of fugitive writing ink, liable at any moment to the fraud of the skillful rogue.

FINANCIAL CHRONOLOGY.

[*Continued from August No., page* 156.]

JULY.

24 Rate of discount at Bank of England reduced from 4½ to 4 per cent.
24 Sale by U. S. Treasury of $1,000,000 gold at 115.45 to 115.51.
31 Bank of England rate of discount reduced from 4 to 3½ per cent.

AUGUST.

1 Suspension of Hoboken Savings Bank.
7 Sale by Treasury of $1,500,000 gold at 115.40 to 115.48.
9 Resumption of business by Brooklyn Trust Co.
13 Purchase of $500,000 bonds by Treasury advertised. $15,500 bought at 115.12.
14 Sale by Treasury of $765,500 gold at 114.50 to 115.05. (Remainder of $1,500,000 unsold.)
17 Death of William M. Meredith, Secretary of the Treasury 1849–1850.
21 Sale by Treasury of $1,500,000 gold at 115.26 to 115.40.
21 Rate of discount at Bank of England reduced from 3½ to 3 per cent.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from August Number, page* 151.)

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
San Francisco, CAL.	Anglo-Californian Bank	J. & W. Seligman & Co.
Norfolk, CONN.	Cowles & Eldridge	....
Rome, GEORGIA	Cothran & Jackson	National Park Bank.
Chicago, ILL.	Garden City Savings Bank	....
Arcola, "	J. C. Justice	Gilman, Son & Co.
Danville, "	Vermilion County Bank	Gilman, Son & Co.
Decatur, "	Decatur National Bank	....
Virden, "	Bank of Virden	....
Plymouth, "	First Nat. Bank of Marshall Co.	....
Waterloo, "	De Kalb County Bank	Henry Clews & Co.
Danville, INDIANA	Danville Banking Co.	Winslow, Lanier & Co.
De Witt, IOWA	Price & Sanford	Gilman, Son & Co.
" "	R. H. Murdock	Ninth National Bank.
Exira, "	Andrews & Griggs	Allen, Stephens & Co.
Hamburg, "	J. T. Davis & Co.	Donnell, Lawson & Co.
Montour, "	Montour Exchange Bank	Allen, Stephens & Co.
Grassh'per Falls, KAN.	Valley Bank & Sav. Institution	Donnell, Lawson & Co.
Junction City, "	Davis County Savings Bank	....
Thayer, "	Chatham T. Ewing	Geo. Opdyke & Co.
Caverna, KY.	Merchants' Banking Co.	....
Lexington, "	Farmers & Traders' Bank	....
Boston, MASS.	George P. Baldwin & Co.	....
" "	Charles A. Shaw	....
Whitehall, MICH.	Lumberman's State Bank	Williams & Wilbor.
Owatonna, MINN.	Farmers' National Bank	Fourth National Bank.
Troy, MO.	Farmers & Mech'cs' Sav. B'k	Donnell, Lawson Co.
Princeton, "	Mercer County Bank	Tenth National Bank.
Maryville, "	Fisher, Jackson & Co.	Donnell, Lawson & Co.
Ashland, NEB.	First National Bank	N. Y. National Exch. B'k.
Gold Hill, NEV.	Miner & Hall	....
Booneville, N. Y.	S. C. Thompson	....
Elmira, "	J. S. Thurston	....
Nunda, "	Nunda Bank	Imp. & Traders' Nat. B'k.
Watkins, "	Schuyler Co. Bank	....
Williamsburg, "	Bushwick Savings Bank	....
Cincinnati, OHIO	German Banking Co.	Ninth National Bank.
Ada, "	Ada Exchange Bank	Henry G. Bell & Co.
" "	Citizens' Bank	Continental Nat. Bank.
Cleveland, "	W. H. Kelly	Drexel, Morgan & Co.
Findlay, "	Hancock Savings Bank	Ninth National Bank.
Mansfield, "	Mansfield Banking Co.	National Park Bank.
Philadelphia, PA.	United States Banking Co.	....
" "	James B. Young & Co.	....
" "	Ladner Brothers	....
" "	E. W. Keene	....

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Allegheny, PA.	Allegheny Homestead Bank	....
Emlenton, "	Emlenton Bank	Ninth National Bank.
Minerstown, "	Argyle Savings Bank	Imp. & Traders' Nat. B'k.
Pittsburgh, "	International Bank	Dry Goods Bank.
Reading, "	A. L. Boyer	Henry Clews & Co.
Summit Hill, "	Miners' Savings Bank	Imp. & Traders' Nat. B'k.
Austin, TEXAS	Bremond & Co.	Swenson, Perkins & Co.
Salt Lake City, UTAH	White, McCormick & Co	....
Chelsea, VERMONT	First National Bank	....
Burlington, "	Fars. & Mechanics S. Ins. & Tr. Co.	....
Chippewa Falls, WIS.	First National Bank	....
Sheboygan "	First National Bank	German-American Bank.

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from August No., page* 155.]

CALIFORNIA.—J. Seligman & Co., *San Francisco*, (succeeded by Anglo-Californian Bank).

CONNECTICUT.—J. N. Cowles, *Norfolk*, (now Cowles & Eldridge.)

D. C.—Squier & Root, *Washington*.

GEORGIA.—Cothran & Maguire, *Rome*, (now Cothran & Jackson.)

ILLINOIS.—Cannon, Wyeth & Co., *Arcola*, (succeeded by Beggs & Clark); Craddock & Habing, *Effingham*, (succeeded by H. G. Habing); D. L. Parker & Co., and James Wilson & Sons, *Gilman*, (both succeeded by Parker & Allen); Hatch & Brother, *Griggsville*, (succeeded by Griggsville National Bank); Auton & Alter, *Princeville*; Heaton, Dubois & Chesnut, *Virden*, (succeeded by Bank of Virden.)

IOWA.—Fulton & Scribner, *Cherokee*, (succeeded by Scribner, Burroughs & Co.); Price & Dinehart, *De Witt*, (succeeded by Price & Sanford); Marshall County Bank, *Marshalltown*, (succeeded by Farmers' National Bank); O. B. Dutton & Son, *Orford*, (succeeded by Montour Exchange Bank.)

KANSAS.—S. W. Loan & Land Co., *Thayer*, (succeeded by Chatham T. Ewing.)

KENTUCKY.—Headley, Farrar & Co., *Lexington*, (now Farmers & Traders' Bank); Wilson, Andrews & Co., *Catlettsburg*, (*suspended.*)

MICHIGAN.—W. H. Davenport & Co., *Saline*. F. Blackmarr, *Whitehall*, (succeeded by Lumberman's State Bank.)

MISSOURI.—Fisher & French, *Maryville*, (succeeded by Fisher, Jackson & Co.)

NEBRASKA.—State Bank, *Ashland*, (succeeded by First National Bank.)

NEW JERSEY.—Hoboken Savings Bank, *Hoboken*, (*suspended.*)

NEW YORK.—National Bank of *Cazenovia*, (changed to "Bank of Cazenovia"); First National Bank of *Watkins*, (changed to "Schuyler County Bank"); Cornwall & Walton, *Alexandria Bay*, (not in banking business); G. W. Warren & Co., *Cape Vincent*.

OHIO.—H. P. Gage & Co., *Findlay*, (succeeded by Hancock Savings Bank.)

TEXAS.—Erastus Jones, *Jefferson*. Newsome, Ranney & Co., *McKinney*.

UTAH.—A. W. White & Co., *Salt Lake City*, (now White, McCormick & Co.)

WISCONSIN.—Bank of Sheboygan, *Sheboygan*, (succeeded by First National Bank.)

NOTES ON THE MONEY MARKET.

NEW YORK, AUGUST 21, 1873.

Exchange on London, at sixty days' sight, 107¾ @ 108 *for gold.*

The money market has become quite easy during the month of August, with a minimum rate this week of 4 per cent. on call loans. Commercial paper is not abundant and is readily taken by bankers and brokers at six to seven per cent. The demand for money at New York, arises mainly on account of new railroad enterprises throughout the country. The present construction of new railroads for the year 1873 will cover over six thousand miles, which, at thirty thousand dollars per mile, will consume about one hundred and eighty millions of capital—one-half in money and the remainder in bonds. The latter is drawn largely from London, thereby lessening the demand for gold for foreign export. Among the new loans proposed abroad on account of railroads in the United States, are the following:

1. The Atlantic and Great Western R. R. Co., £1,520,000 sterling, at eight per cent. interest; offered at 94: redeemable at par in 1876; or may be converted into Cleveland, Columbus, Cincinnati and Indianapolis R. R. shares, or Atlantic and Great Western shares. This money is for the purpose of purchasing a controlling interest by the latter in the former Company.

2. First mortgage gold bonds of the Chicago and Paducah R. R. Co.; $576,000 at seven per cent. interest.

3. Illinois Central R. R. Co. offer $3,000,000 seven-per-cent. consolidated gold bonds of the New Orleans, Jackson and Great Northern R. R. Co., and $3,000,000 seven-per-cent. bonds of the Mississippi Central R. R. Co.; repayable in forty years, (1912). The former are offered at £174, and the latter at £176 for each thousand dollar bond.

There are large offerings besides the above in the London market, for account of various companies in the United States. Among the new bonds offering in the New York market, are the following:

1. The New York Central and Hudson River R. R. first mortgage bonds at seven per cent. interest, redeemable in 1903: price 105.

2. New York and Oswego Midland R. R. first mortgage bonds, $8,000,000. Only $500,000 unsold. This Company is now running through trains from New York to Oswego. New York agents, Messrs. George Opdyke & Co.

3. Texas and Pacific Railway Co. first mortgage six-per-cent. gold bonds, offered at ninety per cent. These bonds are secured by a sinking fund, and by a first mortgage covering the Company's line through to the Pacific Ocean, with its equipments, fran-

chises, &c., including upwards of 15,000,000 acres of land donated by the Government of the United States to aid in the construction of the road. First series issued only as road is constructed on the Eastern Texas Division, 504 miles of road. 209 miles of road in operation from Shreveport to Dallas and from Mashall to Jefferson.

4. Louisville City seven-per-cent. bonds, due in 1903, $ 1,000,000, offered at ninety per cent.

5. St. Louis and South Eastern Railway Co. seven-per-cent. gold bonds. (George Opdyke & Co., New York, agents.)

6. Jersey City seven-per-cent. bonds, redeemable in forty years at seven per cent. semi-annually, $ 200,000. July 1, 1873, the total debt of Jersey City was $ 12,267,162; corporation property, including past due assessments for streets and sewers, $ 11,119,526; assessed valuation of 1872, $ 68,496,855; half of the assessed value of railroad property, which, by recent law, is taxable this year, $ 11,000,000; total assessed value for 1873, $ 79,496,855. Population of city about 103,000.

7. City of Rochester seven-per-cent. bonds, for the construction of water works; offered at par, by Robinson, Chase & Co., New York. Its indebtedness, excluding this loan, is less than $ 1,850,000, while it has public property amounting to about $ 2,850,000, and private real estate valued at $ 70,000,000. The bonds are issued in either coupon or registered form; the registered being transferable at the office of the Union Trust Company of New York, where both principal and interest is payable. The expenditure of moneys derived from their sale is directed by the Mayor of the city and the Board of Commissioners.

8. Brooklyn City water-loan bonds at seven per cent., $ 200,000; redeemable in 1904 and 1910. Bids will be opened August 29th, by the City Treasurer.

9. Burlington, Cedar Rapids and Minnesota R. R. first mortgage convertible sinking fund gold seven-per-cent. bonds, (Milwaukee Division), coupon and registered. Henry Clews & Co., Wall Street, agents.

Money continues to be in easy supply on Wall Street for call loans, but for paper running sixty days or longer higher rates prevail. We quote:

	Per Cent.
Loans on call—Government collaterals	4 @ 5
" " Miscellaneous collaterals, first-class	5 @ 5
Commercial first-class indorsed paper, sixty days	6½ @ 7
Commercial first-class indorsed paper, four months	7 @ 8
Commercial first-class indorsed paper, six months	8 @ 8
Commercial first-class, single names, sixty days	8 @ 10
Commercial first-class, single names, four to six months	9 @ 12
Bankers', first-class domestic, three to four months	7½ @ 8

The ease in the money market is increased by the more favorable exhibit of our foreign trade; the importations having declined from 270 millions for seven months, 1872, to 252 millions for same period this year, viz.:

Foreign Imports at New York for Seven Months from January 1.

	1871.	1872.	1873.
Entered for consumption	$ 120,054,380	$ 118,640,268	$ 109,417,043
Entered for warehousing	90,093,323	126,606,308	83,855,822
Free goods	17,808,800	22,850,813	57,006,581
Specie and bullion	4,918,692	2,819,482	2,941,662
Total entered at port	$ 232,875,195	$ 270,916,871	$ 252,221,108
Withdrawn from warehouse	73,138,814	89,832,451	73,875,844

The increase in the free goods is owing to the addition of tea and coffee to the free list, by late act of Congress. The total is as much above that for 1871, as it is below that of last year, but the volume of imports is yet too large to sustain.

The exports to foreign countries this year (seven months) have increased about twelve per cent., with an active demand abroad in prospect, for domestic produce.

Exports from New York to Foreign Ports for Six Months from January 1.

	1871.	1872.	1873.
Domestic produce	$ 127,413,323	$ 119,582,556	$ 158,231,491
Foreign free goods	654,636	740,893	1,363,247
do. dutiable	4,863,641	6,196,022	5,514,646
Specie and bullion	52,788,317	54,363,587	37,857,927
Total exports	$ 185,719,917	$ 180,883,058	$ 202,967,311

The reader will observe by the above tables, the decrease in the export of specie. In July, 1870, it was about seventeen million dollars; in 1871, eleven millions; in 1872, seventeen millions, and for the last month only ten millions. The increase in the exports of produce and merchandise, is over five and a half million dollars.

Revenue from Customs at New York.

	1871.	1872.	1873.
In July	$ 11,934,957	$ 7,251,160	$ 10,008,929
Add Six months	73,692,107	73,822,709	61,981,516
Seven months	$ 85,627,065	$ 81,073,870	$ 71,990,446

The decrease in the aggregate is owing largely to the reduction in the tariff.

All of the import figures represent gold, the value being stated at the foreign cost in coin, freight and duty not added. The export returns, except specie, which is given at its tale value, are all reckoned at their current value here in paper currency.

The decline in the foreign importations, is noted only when compared with the year 1872. The aggregate is yet largely beyond the amount reported in 1871, and previous years. We are still suffering from an excess of foreign goods; for the payment of which we remit largely in twenty-year bonds, thus placing upon the next generation the burden of paying for the extravagance of to-day. To show this excess, we may state that the foreign importations of the year 1851, were only $3.75 per capita; in 1860 $4.53; and in 1870, had increased to $4.76; and in 1872, about $6.22; viz.:

Year.	*Census U. S.*	*Imports, 7 months.*	*Average, 7 months.*
1850	$ 23,191,876	$ 86,900,000	$ 3.75
1860	31,443,321	142,600,000	4.53
1870	38,558,371	183,600,000	4.76
1873	40,500,000	252,000,000	6.22

The increase in seven months of 1872, was most noticeable in general merchandise—a term which includes sugar, tea, coffee, metals, spices, liquors, hardware, earthenware, drugs, hides, leather, wool, &c.; and this class of imports shows a less relative falling off this year. We repeat the comparison from the beginning of this half-century:

Relative Imports of Dry Goods, Specie, and General Merchandise of New York, for the First Seven Months of the last Twenty-three Years;

Seven Months.	Imports of Dry Goods.	Imports of Gen'l Mdse.	Imports of Specie.	Total Imports.
1851	$42,240,217	$43,174,714	$1,480,476	$86,895,407
1852	34,994,294	37,215,342	2,028,248	74,237,884
1853	57,421,619	59,393,895	1,099,516	117,915,020
1854	55,308,993	58,126,642	1,606,090	115.041,725
1855	34,724,393	49,008,832	523,151	84,256,376
1856	60,296,946	72,757,795	963,500	134,081,241
1857	66,716,293	84,156,030	5,857,310	156,729,633
1858	30.169,358	48,305,765	1,815,258	80,290,381
1859	71.782,984	83,366,928	1,301,082	156,450,994
1860	63,362,687	78,485,850	751,188	142.599,725
1861	31,515,606	54,375,955	32,906,166	118,797,527
1862	30,183,764	74,488,315	731,556	105,403,635
1863	35,112,935	70,860,800	1,036,013	107,009,748
1864	53,122,729	106,064,033	1,555,066	160,741,838
1865	31,850,399	68,018,028	1,305,463	101,173,890
1866	80,442.325	108,285,746	1,526,147	190,254,218
1867	53,431,860	104,617,997	1,613,302	159,663,159
1868	44,861,371	102,601,807	4,165,342	151,628,520
1869	57,420,302	128,698,363	10,213,747	196,332,412
1870	58,162,413	118,145,657	7,357,949	183,666,019
1871	78,044,000	149,912,503	4,918,692	232,875,195
1872	85,877,426	182,219,963	2,819,482	270,916,871
1873	72,638,272	176,641,174	2,941,662	252.221,108

The premium on gold has undergone rather more than the usual fluctuations since our last; having declined to 14⅜ on the 15th, but closing to-day at 15⅝. Artificial manipulations are credited to leading speculators, and efforts to force an advance have been apparent, but fruitless hitherto.

The New York City Banks still retain full lines of discount, although they must expect at the approaching season heavy demands from the interior. Their returns in a series of years compare as below:

1867.	Loans.	Specie.	Legal Tenders.	Circulation.	Deposits.	Weekly Clearings.
Jan. 5	$257,852,460	$12,794,892	$65,026,121	$32,762,779	$202,533,564	$466,987.787
Jan. 4, '68	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266.304
Jan. 4, '69	259,090,057	20,736,122	48,896,421	34,379,609	180,490,445	585,304,799
Jan. 3, '70	250,406,387	31,166,908	45,034,608	34,150,887	179.129,394	399,355,375
July 4	276,496,503	31,611,330	56,815,254	33,070,365	219,083,428	562.736,404
Jan. 2, '71	263,417,418	20,028,846	45,245,358	32,153,514	188,238,995	467,692,982
July 3	296,237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973.837
Jan. 6, '73	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3	286,879,600	18,612,200	45,802,100	27,501,000	217,168,500	661,411.941
Mar. 3	281,344,900	16,370,500	40,724,000	27,601,300	202,066,100	818,260,202
April 7	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
May 5	270,721,100	18,677,800	40,051,700	27,564.400	196,471.900	698,038,785
June 2	277,958,800	19,482,000	44.332,300	27,447,100	208,136,500	454,272,030
July 7	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
July 29	289,389,100	31,249,300	49,957,100	27,225,100	239,118,300	547,225,952
Aug. 4	289,986,200	30,272,200	50,030,500	27,188,000	238,840,900	465,712,370
" 11	290,758,100	29,820,000	49,002,300	27,223,500	237,123,100	420,989,756
" 18	292,614,000	27,644,100	47,540,100	27,222,700	234,857,300	431,024,238

The Philadelphia banks continue in nearly the same condition as at our last reports. Their returns, and a comparison with previous years, are appended:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868	$5[illegible],002,304	$235,912	$16,782,432	$10,639,000	$36,621,274
" 4, 1869	50,716,999	252,483	13,210,397	10,593,719	38,121.023
" 3, 1870	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, "	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, "	57,062,437	352,775	10,599,532	11,370,253	42,120.451
Mar. 3 "	56,867,858	271,544	9,917,655	11,389,972	41,495,605
April 7, "	57,075,617	130,936	9,663,471	11,475,119	40,124,310
May 5, "	59,006,414	238,944	11,641,739	11,438,679	45,177,200
June 2, "	61,135,011	116,089	15,377,993	11,434,591	51,833,223
July 7, "	60,480,403	322,626	14,513,757	11,431,847	48,200,545
" 29, "	59,996,743	321,605	15,051,022	11,441,985	47,911,798
Aug. 4, "	59,923,183	356,531	15,227,709	11,444,767	48,255,437
" 11, "	58,787,541	306,251	14,576,957	11,416,480	46,993,521
" 18, "	59,535,280	236,302	14,084,674	11,436,474	46,785,247

The banks of Boston exhibit no material change of condition this month. Their statements and a comparison with previous months are shown below:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765.347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50.693,067
Jan. 1, 1872	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8	112 164,800	2,740,100	9,471,800	24,877,000	48,875,500
The deposits (after this date) include the amount due to other banks.					
Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3	125,068,700	2.253,300	11,507,300	25,485,800	77,272,500
Mar. 3	124,390,400	1,015,100	11,185,600	25,457,500	74,833,700
April 7	120,001,600	922,600	8,939,300	25,519,400	64,623,200
May 5	117,501,100	1,401,100	9,191,600	25,625,700	65,809,400
June 2	117,959,600	1,269,200	11,406,800	25.445,100	69,422,860
July 7	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
" 21	124,088,800	2,277,600	11,145,500	25,577,200	72,340,000
" 29	123,620,900	1,833,000	11,035,900	25,538,100	71,155,900
Aug. 4	123,617,400	1,536,000	10,955,600	25.550,000	71,110,300
" 11	123,441,700	1,342,400	10,788,300	25,475,100	69,462,800
" 18	123,976,500	1,150,200	10,530,600	25,457,400	68,924,800

The demand for government bonds to supply foreign markets has not abated, but they are not to be had in round lots. We annex the latest quotations:

	Offered.	Asked.
U. S. Currency 6s	113¼	113¾
U. S. 6s, 1881, Registered	117½	117¾
U. S. 6s, 1881, Coupon	119¼	119¾
U. S. 5-20 Reg., May and Nov.	116¾	117
U. S. 5-20, '62, Coupon, Nov.	116¾	117
U. S. 5-20, '64, Coupon, Nov	117	117¼
U. S. 5-20, '65, Coupon, Nov.	118½	119¼
U. S. 5-20, '67, Reg., Jan, & July	116¾	117¼
U. S. 5-20, '65, Coupon, July	116¾	117⅛
U. S. 5-20, '67, Coupon, July	119	119¼
U. S. 5-20, '68, Coupon, July	117¾	118¼
U. S. 10-40, Registered	112½	113
U. S. 10-40, Coupon	115½	116
U. S. 5s of '81, Coupon	114⅝	114⅞

Foreign Exchange has undergone a marked decline during this month, and under large exports of produce and reduced imports, continues dull even at the lower rates. Bankers' 60 days Sterling bills are offered at 108. We quote: Bills at 60 days on London, 107¼ *a* 107⅝ for commercial; 107¾ *a* 108 for bankers'; do. at short sight, 108⅝ *a* 108¾; Paris at 60 days, 5.35½ *a* 5.30; do. at short sight, 5.26¼ *a* 5.25; Antwerp, 5.32½ *a* 5.27½; Swiss, 5.31¼ *a* 5.26¼; Hamburg, 4 Reichsmark, 94¼ *a* 95; Amsterdam, 39⅝ *a* 40; Frankfort, 40½ *a* 40⅞; Bremen, 4 Reichsmark, 94½ *a* 95; Prussian thalers, 70⅝ *a* 71¼.

Rates for the three months preceding compare as follows:

Sixty days' Bills.	*May* 22.	*June* 21.	*July* 21.	*Aug.* 21.
On London, bankers'	108⅞ @ 109⅛	109 @ 109¼	109⅛ @ 109⅜	107¾ @ 108
" commercial	108¼ @ 108¾	108⅜ @ 108⅞	108½ @ 109	108⅝ @ 108¾
Paris, francs, ₱ dollar	5.27½ @ 5.22½	5.28¾ @ 5.24⅜	5.27½ @ 5.23¼	5.35 @ 5.30
Amsterdam, ₱ guilder	39⅞ @ 40⅜	39⅞ @ 40⅜	40 @ 40½	39⅝ @ 40
Frankfort, ₱ florin	40⅞ @ 41⅜	40⅞ @ 41⅜	41 @ 41⅜	40½ @ 40⅞
Hamburg, ₱ 4 R'mark	95½ @ 96¼	95⅝ @ 96¼	95¾ @ 96⅜	94½ @ 95
Prussian thalers	71½ @ 72¼	71¾ @ 72¼	71¾ @ 72⅜	70⅝ @ 71¼

In the London money market, great ease prevails. The Bank of England rate of discount was to-day reduced to 3 per cent. in the open market, and quotations are ⅛ lower. At Paris a corresponding abundance is reported.

DEATHS.

In Boston, on Tuesday, August 12th, aged eighty-four years, Charles W. Cartwright, for many years President of the City Bank, Boston, and of its successor, the National City Bank.

In New York, on Friday, July 25th, aged seventy-three years, Cassius Darling, President of the Sixth National Bank, of New York.

At Hazlewood, his late residence, near New York City, on Thursday, July 24th, aged fifty-six years, James Lees, of the banking firm of Lees & Waller, of New York City.

In Philadelphia, on Sunday, August 17th, aged seventy-seven years, William M. Meredith, Secretary of the Treasury from March 7, 1849, to his resignation July 10, 1850.

At North East, Pa., on Wednesday, July 29th, Charles Horton, Cashier of the St. Petersburg Savings Bank.

At Rawley Springs, Rockingham County, Virginia, on Saturday, August 2, aged fifty-four years, William H. Tams, Cashier of the Virginia Banking and Trust Company, of Staunton, Virginia.

At Bethlehem, N. H., on Monday, August 11th, by accident, A. S. Butler, of the firm of Butler & Peck, Bankers, of Allegan, Michigan.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

Vol. VIII. Third Series. OCTOBER, 1873. No. 4.

THE SAVINGS BANKS OF MASSACHUSETTS.

In the last No. of this work (September) we enumerated the savings banks of the States of Maine, New Hampshire, Rhode Island and Connecticut. In the August No. we produced copious details of those of the city and the interior of New York, showing the growth of each institution as well as the aggregate increase of savings in each State. We now publish, for the information of our readers, a full list of the savings banks of Massachusetts, showing the deposits of each at the close of the years 1871 and 1872; the number of depositors in each at the latter date; and the date of charter of each in the city of Boston.

It will be observed that the increase of deposits last year was not quite so large as in the years 1869–1871, although there are twelve new banks reported as having commenced operations during the year 1872. The returns are highly favorable to the people of the Commonwealth, showing over six hundred thousand depositors out of a population of about 1,500,000 (or 1,457,351 by the census of 1870), or more than forty per cent. of the whole population.

Although the average to each depositor assumes large proportions, being within a fraction of three hundred dollars, it is found, on inquiry, that in many cases the deposit is a mere trifle—a mere beginning—some ten or twenty dollars—the surplus of a day laborer or a hired domestic; and in many other cases a dollar saved by a

minor after the labors of a week in a cotton mill. These people bear in mind the poet's line—

> He is never poor
> That little hath, but he that much desires.

The savings depositor may well recur to YOUNG, who wisely says—

> Think naught a trifle, though it small appear;
> Sands make the mountain, moments make the year;
> And trifles life.

The seven States of NEW ENGLAND and NEW YORK alone report, at this time, six hundred and fifty millions of dollars on deposit in their savings banks—the small earnings and surplus trifles of nearly two millions of poor depositors. The returns from all these States show an active interest in the subject of savings banks, and that the accumulations of the people are becoming ample to meet future contingencies of business and the fluctuations in the value of property. The returns from the State of VERMONT for the past year are not yet received. The pamphlet report is defective in the omission of the number of depositors in these several institutions.

The annual reports from MAINE, NEW HAMPSHIRE, RHODE ISLAND and CONNECTICUT, contain tabular statements of each bank, and some of them give the comparative increase in the deposits of each for a series of years. This tabular view is neglected in the MASSACHUSETTS report, leading thereby to numerous inaccuracies, which will render the comparative statements hereafter defective. The report would be more valuable hereafter, if made to contain the date of charter of each institution reported.

We annex the official report of the Bank Commissioner, which contains numerous and valuable suggestions.

ANNUAL REPORT OF THE COMMISSIONER OF SAVINGS BANKS FOR THE COMMONWEALTH OF MASSACHUSETTS.

December 31, 1872.

To Hon. OLIVER WARNER, *Secretary of the Commonwealth.*

I have the honor to submit the seventh Annual Report of the Commissioner of Savings Banks, with the abstract of the annual returns of the savings banks in the Commonwealth, exhibiting their condition on Saturday, the twenty-sixth day of October, in answer to the requisition of His Excellency the Governor.

Also statements of the COLLATERAL LOAN COMPANY, the WORCESTER SAFE DEPOSIT AND TRUST COMPANY, and the NEW ENGLAND TRUST COMPANY, severally made to the Commissioner, in accordance with provisions in their charters.

Twelve savings banks have been organized and commenced business during the last year, namely :—

Bridgewater Savings Bank	Bridgewater.
Broadway Savings Bank	Lawrence.
Brookfield Savings Bank	Brookfield.
Dukes County Savings Bank	Edgartown.
East Weymouth Five Cents Savings Bank	East Weymouth.
Holliston Savings Bank	Holliston.
Jamaica Plain Savings Bank	West Roxbury.
Mechanics' Savings Bank	Holyoke.
Miners' Savings Bank	West Stockbridge.
Monson Savings Bank	Monson.
North Avenue Savings Bank	Cambridge.
Orange Savings Bank	Orange.

The present number of savings banks is one hundred and seventy-two, all of which, excepting four, quite recently established, have been examined during the year past, and an abstract of the examination is submitted.

On the twenty-sixth day of October last, the date of the requisition for the annual returns, our savings banks held

In deposits	$ 184,797,313 92
Surplus	3,045,247 21
	$ 187,842,561 13
Increase of deposits for the year 1872	$21,093,236 38
Number of depositors	630,246
Increase	69,045
Average to each depositor	$293 21
Increase of average	1 69
Amount of deposits during the year	$58,034,129 72
Average of each deposit	82 65
Decrease of average	9 42
Amount of withdrawals	43,895,674 16
Average of each withdrawal	112 70

Compared with last year the increase in deposits is nearly seven millions less; and for the last three months the gain has been quite small. The deposits very nearly equal those of last year, but the withdrawals have been nine millions in excess of the amount paid out during the previous year.

It is gratifying to notice the fact that the gain in the number of depositors is nearly as large as ever, while the number of large deposits is somewhat diminishing. With a decrease of the rate of interest paid by the banks, which seems to be quite certain, this unreliable class of deposits will continue to diminish until they become no more than a fair proportion of the whole amount.

The rate of interest charged on loans made during the year has varied from seven to eight per cent.; the average being somewhat less than seven and one-half per cent. on the whole loan. No return is now required of the rate of interest charged; but as it is an important fact, indicating in what manner the privilege granted by the legislature is used, and how far public interests are promoted

or regarded, I suggest that the banks be required to return the rates charged, and the aggregate of loans at each rate.

No material change has been made in the investments. The amount of public funds, including government, state, city and town bonds, is somewhat less, and of bank stock and railroad bonds more than last year.

The principal increase is shown in personal loans and loans on real estate; of the first item it is over seven million dollars, and of the second over fifteen million. No losses of any considerable importance have heretofore arisen from loans on personal security; yet they are generally, and, I think, properly regarded as the least satisfactory of savings banks securities. The law excludes them entirely where investments and loans can conveniently be made within the other prescribed limits; and there seems to be no sufficient reason for modifying the law or evading its requirements.

Within five years the per cent. of deposits loaned on mortgage has increased from twenty-three to forty-eight per cent. It is the result of an unusual demand for capital in building, to meet the actual wants of a flourishing community, and, in part, the demand growing out of speculative operations in real estate, many of which seem, thus far, to be limited only by ability to borrow money, and not by any reasonable anticipation of future wants.

During this period of five years, sixty-four savings banks have commenced business, and a large share of their deposits, in many instances quite as much as permitted by law, has been placed in mortgage loans, because the income has been larger than from any other source. The older institutions have also made a large increase in similar loans, but not in the same proportion.

My attention has been particularly called to this class of securities, believing unusual danger might exist of loaning upon an excessive valuation of property. In all cases careful inquiry has been made as to the proportion of value loaned, and the description of property taken, and wherever, from any cause, the security has been suspected to be objectionable, it has been examined personally, or through the best evidence at command.

The general rule of the banks, which seems to be adhered to with great uniformity in practice, limits loans on real estate to from fifty to seventy per cent. of estimated value at a forced sale, varying with the nature of the property and the proportion represented in buildings where insurance is relied upon for security.

Some loans have been made on cheap tenement blocks, on unsalable property, and of too large proportion of value, such as ought not to be held by savings banks, where the first consideration should be to obtain absolute security. It is proper to say, however, there are no loans where the trustees anticipate any or, at most, but unimportant losses; and as a class the mortgage securities may be considered satisfactory.

No reason exists for changing the opinion heretofore expressed that the institutions are generally well managed, and all worthy of

public confidence. They are of great public service in the aid furnished to all the industrial and social interests of the State.

The banks now established are quite sufficient to afford reasonable facilities for the legitimate business of savings institutions, with the possible exception of a very few localities. Where such facilities now exist, to increase the number of banks will result in a disadvantage to those who use them as depositors, because of needless expenses incurred; and they will be of no benefit to the public which can rightfully be sought through a savings bank organization.

Under the general banking law of the State, the CHAPIN BANKING AND TRUST COMPANY has been established this year, at Springfield, with a capital stock of five hundred thousand dollars, one-half of which was paid in before commencing business.

It is proposed to transact the usual business of banks of discount without using circulating notes, and is, therefore, in that respect, an institution not contemplated by law.

It is suggested that the law be so changed as to adapt it to the present currency of the country if it be thought advisable to encourage or permit banking corporations, without issue, under the law of the State.

F. M. STONE.

December 31, 1872.

THE PROGRESS OF SAVINGS BANKS IN MASSACHUSETTS.

Thirty-seven Years.

Year.	*No. of Banks.*	*No. of Depositors.*	*Aggregate Deposits.*	*Average to each.*	*Population of State.*
1835	27	27,232	$3,921,370	$144.00	——
1837	30	32,564	4,781,426	146.51	——
1839	30	36,686	5,608,159	152.86	737,699
1841	30	41,423	6,714,182	162.08	——
1843	31	43,217	6,935,547	160.40	——
1845	33	58,178	9,813,288	168.66	——
1847	39	68,312	11,780,813	172.45	——
1850	45	78,823	13,660,024	174.57	994,519
1852	53	97,353	18,401,308	189.01	——
1854	73	136,654	25,936,858	189.88	——
1856	81	165,484	30,373,447	184.15	——
1858	86	182,655	33,914,972	185.67	——
1860	89	230,068	45,054,236	195.83	1,231,066
1862	93	248,900	50,403,674	202.50	——
1863	95	272,219	56,883,828	208.92	——
1864	97	291,616	62,557,604	214.52	——
1865	102	291,488	59,936,482	205.62	——
1866	102	316,853	67,732,264	213.76	——
1867	108	348,553	80,431,383	230.73	——
1868	115	383,094	94,838,336	247.55	——
1869	131	431,769	112,119,016	259.67	——
1870	139	488,797	135,745,097	277.71	1,457,351
1871	160	561,201	163,704,077	291.52	——
1872	172	623,345	176,799,279	283.63	——

THE SAVINGS BANKS OF MASSACHUSETTS.

The names and locations of 172 savings banks in MASSACHUSETTS, with the number of depositors in each and the amount of deposits in each at the close of 1871 and 1872: with the date of charter of each in the city of Boston.

Charter.	*Location.*	*Name.*	1871. *Deposits.*	1872. *Deposits.*	1872. *Depositors.*
1816	36 Temple pl.	Prov. Inst. for Savings..	$ 12,405,954	$ 12,967,904	32,870
1854	38 School pl.	Boston Five-Cent S. B'k.	9,984,068	10,728,016	62,116
1833	47 Tremont..	Suffolk Savings Bank.....	6,167,723	6,799,742	18,018
1861	Chauncey st.	Franklin Savings Bank...	3,562,422	3,862,095	9,208
1871	Boylston st..	Home Savings Bank.....	3,490,657	4,696,276	16,400
1865	37 Bedford...	Union Inst. for Savings...	3,007,438	3,489,084	9,534
1825	1935 Wash'tn	Roxbury Inst. for Savings	1,908,959	2,195,784	6,542
1867	Cambridge st.	West Boston Savings B'k	1,830,934	2,424,118	6,888
1861	387 Wash'ton.	Mercantile Savings Bank..	2,415,862	3,518,751	9,387
1849	Maverick sq.	East Boston Savings B'k..	1,240,990	1,575,366	5,375
1864	1179 Wash'tn.	Boston Penny Sav. B'k...	908,778	1,040,565	8,677
1871	17 Franklin..	Emigrant Savings Bank..	833,780	1,589,835	5,864
1863	372 B'way...	South Boston Savings B'k	801,220	1,074,921	5,082
1864	114 Dudley..	Eliot Five-Cent (*Roxbury*)	759,152	904,893	4,328
1871	80 Union....	North End Savings Bank..	228,198	362,238	1,250
1871	Harrison sq..	Dorchester Savings Bank..	398,070	471,120	1,499
		Total City of Boston,	$ 49,944,205	$ 57,700,708	203,038
17	Adams.........	Hoosac Savings Bank...	$ 75,355	$ 157,744	966
18	North Adams..	North Adams Sav. Bank	525,795	631,220	2,148
19	South Adams..	South Adams Sav. Bank.	155.502	198,541	687
20	Abington	Abington Savings Bank.	623,196	722,376	2,513
21	Amherst	Amherst Savings Bank..	234,651	294,164	1,591
22	Andover	Andover Savings Bank..	817,417	930,408	2,653
23	Amesbury	Amesbury Savings Bank	14,646	30,344	189
24	Arlington......	Arlington Five-Cent S. B.	330,111	407,571	1,557
25	Ashburnham ..	Ashburnham Savings B'k	2,416	6,998	58
26	Athol..........	Athol Savings Bank.....	425,784	528,809	2,107
27	Attleboro	Attleborough Savings B'k	144,982	209,337	757
28	Barnstable....	Barnstable Savings Bank	1,221,838	1,360,771	3,673
29	Barre..........	Barre Savings Bank.....	162,035	208,192	810
30	Beverly.......	Beverly Savings Bank...	319,330	424,060	1,643
31	Braintree	Braintree Savings Bank.	6,554	21,025	187
32	Bridgewater...	Bridgewater Savings B'k.	*New.*	26,117	180
33	Brighton.......	Brighton Five-Cent S. B.	126,553	159,255	721
34	Brookfield	Brookfield Savings Bank	*New.*	6,851	80
35	Brookline.....	Brookline Savings Bank.	9,545	44,383	448
36	Cambridge....	Cambridge Savings B'k.	1,149,700	1,321,380	3,947
37	"	Cambridgeport Sav. B'k.	1,143,664	1,287,765	4,220
38	"	E. Cambridge 5-Ct. S. B.	603,588	748,463	4,806
39	"	North Av. Savings Bank	*New.*	5,792	73
40	Canton	Institution for Savings..	219,094	247,925	1,021
41	Charlestown ..	Warren Inst. for Savings	2,916,313	3,133,686	9,430

Savings Banks, Massachusetts—*Continued.*

	Location.	*Name.*	1871. *Deposits.*	1872. *Deposits.*	1872. *Depositors.*
42	Charlestown ..	Charlestown 5-Cent S. B.	$ 1,822,336	$ 2,203,814	8,167
43	Chelsea.......	Chelsea Savings Bank...	590,736	694,599	3,844
44	Chicopee	Chicopee Savings Bank..	353,463	399,487	1,206
45	Clinton.	Clinton Savings Bank...	413,030	494.378	1,827
46	Cohasset	Cohasset Savings Bank..	289,723	335,436	920
47	Concord	Middlesex Inst. for Sav.	868,527	931,155	2,946
48	Danvers	Danvers Savings Bank..	690,737	770,881	2,520
49	Dedham	Dedham Inst. for Savings	881,053	978,830	3,362
50	E. Bridgew'ter.	E. Bridgewater S. Bank.	4,062	22,784	180
51	N. "	N. Bridgewater S. Bank.	388,058	476,156	2,099
52	East Abington.	East Abington S. Bank..	159,503	221,057	863
53	Edgartown ...	Dukes Co. Savings Bank	*New.*	357	10
54	East Hampton.	East Hampton Sav. B'k.	51,298	92,700	441
55	E. Weymouth.	E. Weymouth 5-Ct. S. B.	*New.*	11,980	164
56	Fair Haven...	Fair Haven Inst. for Sav.	493,330	613,269	1,231
57	Fall River	Fall River Savings Bank	5,195,462	5,341,347	11,475
58	"	Citizens Savings Bank..	1,715,066	1,768,929	2,806
59	"	Fall River 5-Cent S. B..	1,220,767	1,336,209	5,745
60	"	Union Savings Bank....	517,188	622,540	1,474
61	Fitchburg.....	Fitchburg Savings Bank	1,936,036	2,150,925	6,418
62	"	Worcester N. S. Inst....	620,873	844,751	2,139
63	Foxboro	Foxboro Savings Bank..	169,314	185,288	828
64	Framingham ..	Framingham Savings B'k	772,225	881,070	3,539
65	Franklin......	Benj. Franklin Sav. B'k.	26,518	78,106	361
66	Gardner	Gardner Savings Bank..	276,586	375,404	1,217
67	Georgetown...	Georgetown Savings B'k.	33,352	49,251	268
68	Gloucester	Cape Ann Savings Bank.	684,570	810,719	3,115
69	Grafton.......	Grafton Savings Bank...	75,443	86,875	353
70	Gt. Barrington.	Great Barrington S. B'k.	248,307	321,744	1,369
71	Greenfield	Franklin Savings Inst...	2,232,532	2,487,604	6,682
72	"	Greenfield Savings Bank.	522,523	675,224	1,687
73	Groveland	Groveland Savings Bank	10,600	17,364	109
74	Harwich......	Cape Cod Five-Cent S. B.	368,558	399,280	2,106
75	Haverhill	Haverhill Savings Bank.	2,269,764	2,400,032	7,321
76	"	City Five-cent Sav. B'k.	382,421	575,549	3,201
77	Haydonville ..	Haydonville Savings B'k	68,134	114,949	523
78	Hingham	Hingham Inst. for Sav..	1,211,238	1,318,833	3,625
79	Holliston	Holliston Savings Bank.	*New.*	38,771	263
80	Holyoke	Holyoke Savings Bank..	625.614	740,579	2,484
81	"	Mechanics' Savings Bank	*New.*	39,860	328
82	Hopkinton....	Hopkinton Savings Bank	91,060	109,790	487
83	Hudson.......	Hudson Savings Bank...	89,457	137,236	603
84	Hyannis......	Hyannis Savings Bank..	263,292	386,121	1,258
85	Hyde Park....	Hyde Park Savings Bank	11,884	38,127	326
86	Ipswich	Ipswich Savings Bank..	6,815	22,716	195
87	Lancaster.....	Lancaster Savings Bank.	729,262	835,612	2,289
88	Lawrence.....	Essex Savings Bank....	2,410,815	2,873,071	8,711
89	"	Lawrence Savings Bank.	263,567	326,332	1,503
90	"	Broadway Savings Bank.	*New.*	99,831	572
91	Lee	Lee Savings Bank......	341,466	374,288	1,298
92	Leicester	Leicester Savings Bank.	135,156	173,290	456
93	Leominster ...	Leominster Savings Bank	279,660	353,244	1,608
94	Lexington	Lexington Savings Bank	10,298	38,969	275
95	Lowell	City Inst. for Savings...	2,994,375	3,252,723	8,700
96	"	Lowell Five-Cent S. B'k.	2,264,900	2,501,177	9,899
97	"	Lowell Inst. for Savings.	1,708,508	1,815,885	5,261
98	"	Mechanics' Savings Bank	1,641,553	1,797,124	4,338
99	"	Central Savings Bank...	168,357	442,347	1,357

SAVINGS BANKS, MASSACHUSETTS—*Continued.*

	Location.	Name.	1871. Deposits.	1872. Deposits.	1872. Depositors.
100	Lowell.......	Merrimack River S. B'k.	$ 39,698 .	$ 109,612 .	336
101	Lynn........	Lynn Inst. for Savings..	1,337,824 .	1,430,797 .	4,813
102	"	Lynn Five-Cent S. B'k..	1,189,620 .	1,290,919 .	7,509
103	Malden	Malden Savings Bank...	160,400 .	192,968 .	1,033
104	Marblehead..	Marblehead Savings B'k.	17,886 .	63,633 .	571
105	Marlborough .	Marlborough Savings B'k	584,603 .	633,573 .	1,998
106	Medford	Medford Savings Bank..	104,334 .	151,528 .	940
107	Medway	Medway Savings Bank..	18,081 .	56,562 .	209
108	Milford	Milford Savings Bank...	411,263 .	455,204 .	2,148
109	Millbury.....	Millbury Savings Bank..	241,148 .	274,028 .	850
110	Monson......	Monson Savings Bank ..	*New.* .	50,976 .	232
111	Nantucket ...	Nantucket Inst. for Sav.	502,772 .	534,338 .	1,591
112	Natick	Natick Five-Cent S. B'k.	263,065 .	304,626	1,408
113	New Bedford.	New Bedford Inst. for S.	6,290,853 .	7,149,715 .	16,121
114	" .	New Bedford 5-Cent S. B.	2,152,895 .	2,116,419 .	10,745
115	Newburyport.	Institution for Savings..	3,553,545 .	3,941,798 .	9,604
116	" .	Newburyport 5-Ct. S. B.	699,467 .	741,363 .	3,410
117	Newton......	Institution for Savings ..	204,912 .	269,679 .	1,470
118	Northampton.	North'ton Inst. for Sav'gs	1,489,307 .	1,632,028 .	4,962
119	" .	Hampshire Savings Bank	202,150 .	265,546 .	1,222
120	N. Brookfield.	N. Brookfield Sav. Bank.	220,127 .	237,395 .	1,092
121	North Easton.	North Easton Sav. Bank.	170,790 .	203,572 .	768
122	Orange	Orange Savings Bank...	*New.* .	34,847 .	255
123	Palmer	Palmer Savings Bank...	123,600 .	204,340 .	771
124	Peabody	Warren Five-Cent S. B'k	691,349 .	828,303 .	2,816
125	Pittsfield.....	Berkshire Co. Sav. Bank	1,493,707 .	1,696,284 .	5,080
126	Plymouth....	Plymouth Savings Bank.	1,701,634 .	1,812,471 .	6,647
127	"	Plymouth Five-Cent S.B.	362,690 .	416,255 .	2,221
128	Provincetown.	Seamen's Savings Bank.	474,422 .	511,424 .	1,689
129	Reading	Quincy Savings Bank...	774,428 .	919,375 .	2,814
130	Randolph	Randolph Savings Bank.	431,233 .	512,964 .	1,644
131	Quincy	Reading Savings Bank..	127,415 .	157,037 .	654
132	Rockport.....	Rockport Savings Bank.	241,979 .	298,768 .	1,211
133	Salem	Salem Savings Bank....	4,953,996 .	5,427,296 .	15,783
134	"	Salem Five-Cent Sav. B'k	1,378,381 .	1,558,298 .	6,276
135	Salisbury	Provident Inst. for Sav'gs	1,029,811 .	1,089,569 .	4,367
136	Sandwich....	Sandwich Savings Bank.	62,280 .	70,990 .	478
137	Scituate	Scituate Savings Bank..	111,788 .	134,655 .	362
138	So. Scituate..	South Scituate Sav. B'k..	313,528 .	342,909 .	1,052
139	Shelburne ...	Shelburne Falls 5-ct. S.B.	479,109 .	529,449 .	2,533
140	Southbridge..	Southbridge Savings B'k	607,900 .	674,273 .	2,261
141	S. Weymouth.	South Weymouth S. B'k.	174,020 .	211,694 .	628
142	Spencer......	Spencer Savings Bank...	4,546 .	34,452 .	165
143	Springfield...	Springfield Inst. for Sav.	4,763,250 .	5,096,681 .	13,877
144	" ...	Hampden Savings Bank.	1,065,492 .	1,250,037 .	3,033
145	" ...	Springfield 5-Cent S. B'k.	1,041,352 .	1,067,123 .	4,909
146	Stockbridge..	Stockbridge Savings B'k.	6,394 .	27,095 .	119
147	Stoneham....	Stoneham 5-Cent S. B'k.	218,547 .	255,557 .	1,142
148	Taunton	Bristol Co. Savings Bank	2,141,367 .	2,573,249 .	7,927
149	"	Taunton Savings Bank..	737,127 .	1,076,409 .	3,204
150	Templeton ...	Templeton Savings Bank	10,324 .	23,673 .	132
151	Uxbridge	Uxbridge Savings Bank.	73,813 .	134,441 .	625
152	Wakefield....	Wakefield Savings Bank.	59,131 .	78,445 .	653
153	Wales	Wales Savings Bank....	19,766 .	29,790 .	170
154	Waltham	Waltham Savings Bank.	1,025,170 .	1,191,004 .	4,030
155	Ware	Ware Savings Bank.....	1,323,613 .	1,417,633 .	3,750
156	Wareham	Wareham Savings Bank.	414,025 .	472,435 .	1,411
157	Watertown ..	Watertown Savings Bank	23,636 .	48,669 .	267

Savings Banks, Massachusetts—*Continued.*

	Location.	Name.	1871. Deposits.	1872. Deposits.	1872. Depositors.
158	Webster	Webster Five-Cent S. B.	$ 138,333	$ 198,984	1,401
159	Wellfleet.....	Wellfleet Savings Bank..	193,995	239,397	915
160	Westborough.	Westborough Sav. Bank.	97,014	143,450	625
161	Westfield	Westfield Savings Bank.	595,169	658,191	2,239
162	W. Roxbury .	Jamaica Plains Sav. B'k.	*New.*	646	20
163	Weymouth...	Weymouth Savings Bank	645,337	701,238	2,444
164	Westfield	Woronoco Savings Bank.	65,321	187,252	539
165	Winchendon .	Winchendon Savings B'k	423,194	461,568	1,799
166	Winchester ..	Winchester Savings B'k.	17,862	38,203	275
167	Woburn	Woburn Five-Cent S. B.	272,011	350,205	2,236
168	Worcester....	Wor. Co. Inst. for Savings	4,624,723	5,032,219	15,051
169	"	People's Savings Bank..	2,575,484	2,890,351	8,671
170	"	Worcester Mech. S. B'k.	2,079,550	2,261,287	5,577
171	"	Worcester 5-Cent S. B'k.	889,678	1,013,860	5,621
172	W. Stockb'dge	Miners' Savings Bank...	*New.*	8,401	89
		Totals, 1871 and 1872,	$163,704,077	$ 176,799,279	623,345
		Dividend, surplus, &c.		7,998,034	* 6,901
		Total reported,........	....	$ 184,797,313	630,246

* Overstated.

Savings Banks of Massachusetts.

	1872. 172 *Savings Bks.*	1871. 160 *Savings Bks.*
No. of depositors........................	630,246	561,201
Amount of deposits......................	$ 184,797,313 92	$ 163,704,077 54
No. of deposits during the last year.....	702,138	634,359
Amount of the same....................	$ 58,034,129 72	$ 58,409,503 79
No. of deposits during the last year of and exceeding $ 300 at one time......	44,514	45,684
Amount of the same....................	$ 26,201,563 68	$ 26,992,748 51
No. of withdrawals during the last year..	389,382	337,985
Amount of the same....................	$ 43,895,674 16	$ 34,888,870 82
No. of accounts opened during the last year................................	148,612	146,664
No. of accounts closed during the last year	88,378	73,986
Amount of surplus on hand..............	$ 3,045,247 21	$ 2,894,043 45
Public funds..............................	21,998,497 39	24,918,341 22
Loans on public funds....................	1,680,283 28	1,150,476 60
Bank stock	16,972,805 21	16,046,834 89
Loans on bank stock......................	1,521,715 55	1,275,945 19
Deposits in banks, bearing interest.......	1,729,486 79	1,313,403 94
Railroad bonds...........................	4,602,567 24	2,259,957 85
Loans on railroad stock..................	545,020 66	468,352 66
Invested in real estate..................	1,968,435 80	1,700,325 32
Loans on mortgage of real estate.........	89,684,246 17	74,396,622 97
Loans to counties, cities and towns.......	12,464,761 52	14,221,097 10
Loans on personal security...............	33,329,244 27	25,995,562 34
Cash on hand.............................	1,657,499 45	1,371,898 04
Average rate of ordinary dividends for the last year..........................	6 1-15 per cent.	6 1-11 per cent.
Aggregate amount of ordinary dividends for the last year......................	$ 9,622,775 26*	$ 8,103,004 24†
Actual expenses of the institutions......	469,681 80	429,080 09

The investment in United States bonds is $13,769,449.02; in State, city and town bonds, $ 8,229,084.37.

* Calculated on the returns of 161 banks—11 banks not having declared dividends when their returns were made. † Calculated on the returns of 141 banks.

TAXATION OF SAVINGS.

Savings Banks—Double Taxation.—Under the statute of 1869, ch. 4, all the deposits and accumulations in the several savings banks in NEW HAMPSHIRE, however such deposits and accumulations may be invested, are to be taxed to the banks; and such taxes are to be paid to the State, in the first instance. And such deposits, &c., are not liable to any other tax. Real estate owned by a savings bank, and purchased with the deposits and accumulations of the bank, is not, under such statute, subject to taxation as real estate in the place where the same is located. A fundamental principle in taxation is, that the same property shall not be subject to a double tax payable by the same party.

Thus, when it is decided that a certain class or kind of property is liable to be taxed under one provision of the statute, it follows, as a legal conclusion, that the legislature could not have intended that the same property should be subject to another tax.

—*Rockingham Ten-Cent Savings Bank* v. *Portsmouth*, 52 *N. H.*

THE SAVINGS BANKS OF CALIFORNIA,

FROM 1868 TO 1873.

From the Commercial Herald of San Francisco.

The semi-annual report of our local savings banks, for July, 1873, presents points worthy of consideration. Our own people are so accustomed to expect a prosperous showing in these statements that the fact of rapid increase, unparalleled elsewhere, excites no surprise in them; but outsiders, who have a very indefinite idea of our actual financial condition, may learn a valuable lesson by studying their import. The aggregate number of depositors is now 49,305, or 3,245 more than for the preceding six months, and the increase in amount of deposits is $ 1,256,288, being $ 43,731,223, against $ 42,474,935 on the 31st of December, 1872. Here is clear evidence of a growing spirit of economy, which denotes frugality and a deeper interest in material progress. Instead of expending their means in questionable enjoyments, the working and producing classes of San Francisco invest them in sound, paying securities, setting an example which may be followed with benefit—financial, social and moral—in all other portions of the country. The cash on hand in these banks at the close of June last was $ 705,769 more than at the end of the preceding half year, while the loans were only $ 308,065 in excess of those for the six months ending December 31st, 1872. This proves that the business has been conducted with prudence and discretion. Each depositor in our savings banks has to his credit an average of $ 887 gold; while the heaviest average due to depositors in the most flourishing State at the East is $ 402 currency, a difference of $ 537 gold in favor of the San Francisco depositor. Facts and figures like these may well arouse the attention of the laboring classes outside of California, furnishing, as they do, conclusive evidence that they will reap a richer reward for their industry here than anywhere else on the globe.

Semi-Annual Statement of the San Francisco Savings Institutions, July 1, 1873.

Name.	*Date of Organization.*	*Accounts.*	*Deposits.*	*Loans.*
Hibernia Savings and Loan Soc.	1859, April 7	15,934	$12,480,000	$11,476,000
Savings and Loan Society.......	1857, July 23	7,636	9,824,000	9,421,000
French Savings and Loan Soc...	1860, Feb. 1	5,858	5,127,000	5,293,000
San Francisco Savings Union...	1862, June 18	5,090	5,121,000	5,189,000
Odd Fellows' Savings Bank.....	1866, Oct. 13	5,785	5,309,000	5,278,000
Farmers and Mechanics' S. B'k..	1867, July 1	476	392,000	365,000
German Savings and Loan Soc..	1868, Feb. 10	4,461	3,618,000	3,708,000
Masonic Savings and Loan B'k..	1869, Nov. 4	1,357	905,000	841,000
Humboldt Savings and Loan Soc.	1869, Nov. 24	1,110	645,000	636,000
Security Savings Bank.........	1871. Mar. 2	1,098	805,000	975,000
Totals.	1873, July ...	49,305	$43,731,000	$43,187,000
"	1873, Jan....	46,060	42,474,000	42,828,000
"	1872, July ...	42,999	40,369,000	40,258,000
"	1872, Jan....	41,590	37,038,000	36,542,000
"	1871, July ...	38,870	34,541,000	32,310,000
"	1871, Jan....	36,862	31,289,000	30,608,000
"	1870, July ...	37,186	29,842,000	29,271,000
"	1870, Jan....	34,823	26,634,000	26,276,000
"	1869, July ...	31,974	24,773,000	24,747,000
"	1869, Jan....	29,893	22,372,000	22,021,000
"	1868, July ...	26,065	19,678,000	19,330,000
"	1868, Jan....	......	16,833,000	16,838.000

The aggregate dividends of the above-named savings institutions for the six months ending June 30th, 1873, amounted to $1,911,694, against $1,818,406 for the previous six months. These dividends ranged from 6 per cent. on commercial to 10 per cent. per annum on permanent deposits.

Semi-Annual Report of Interior Savings Banks, July 1, 1873.

Name.	*Date of Organization.*	*Accounts.*	*Deposits.*	*Loans.*
Sacramento Savings Bank......	1867, Mar. 19	7,250	$3,118,000	$2,978,000
San Jose Savings Bank.........	1868, Feb 1	1,259	528,000	492,000
Stockton Savings and Loan Soc.	1867, Aug. 12	1,289	755,000	861,000
Marysville Savings Bank.......	1869, April 17	1,083	567,000	563,000
Union Savings Bank, Oakland..	1869, June 17	1,175	565,000	882,000
Oakland Bank of Savings.......	1867, Nov. 1	1,206	589,000	911,000
Capital Sav. Bank, Sacramento.	1869, Feb. 8	4,562	2,713,000	2,874,000
Odd Fellows' B. of Sav. "	1870, May 11	1,925	676,000	687,000
Vallejo Savings Bank..........	1871, May 1	400	131,000	269,000
Napa Valley, Napa.............	1871, Sept. 15	205	99,000	95,000
Totals.	1873, July ...	20,354	$9,745,000	$10,617,000
"	1873, Jan....	18,441	8,956,000	10,010,000
"	1872, July ...	15,714	7,414,000	8,060,000
"	1872, Jan....	15,292	7,201,000	7,862,000
"	1871, July ...	12,949	6,337,000	6,512,000
"	1871, Jan....	10,673	5,266,000	5.583,000
"	1870, July ...	8,565	4,039,000	4,115,000
"	1870, Jan....	5,243	2,259,000	2,226,000
"	1869, July ...	4,213	1,989,000	1.816,000
"	1869, Jan....	2,720	1,476,000	1,148,000
"	1868, July ...	1,218	755,000	613,000

In the interior savings banks of CALIFORNIA, on the first of July, 1873, the number of depositors has increased 1,913 since January

1st, 1873, and the deposits are nearly a million more, while the average to each depositor is $ 479 gold, being much in excess of the average deposits in savings banks in any other portion of the globe. It will be seen that these institutions loaned over ten and a half millions of money during the past six months, showing conclusively how urgent a demand there has been for loanable funds throughout the interior, and furnishing the reason why no more pressing calls have been made on San Francisco. There is a growing disposition to furnish local banking facilities all over the State, and by this means money is more generally diffused instead of being hoarded in the metropolitan depositories until absolutely needed. A comparison between the savings banks of CALIFORNIA and those outside of her limits speaks volumes for the thrift, energy and industry of our people. There is, however, one feature in which the interior banks differ materially from those in this city; most of them do discount business, and by reason of this and the smaller amount of money they handle, can favor their depositors with a higher rate of interest, varying from 10 to 12 per cent. We learn, too, that many of them advance coin on grain securities, thereby enabling farmers to hold for what they consider better chances in the future; but we shall be much mistaken if the farmers do not eventually discover that they can not afford from 12 to 15 per cent. per year on borrowed capital, for any such purpose,

NEW LAWS OF THE STATE OF NEW YORK, 1873.

CHAP. 151.—*For the relief of Stockholders of Corporations.*

CHAP. 501.—*An Act in relation to Mortgages.*

CHAP. 595.—*Relating to Negotiable Corporate Bonds.*

CHAP. 807.—*Relating to Notaries Public.*

[The acts of the Legislature of 1873 in reference to legal holidays may be found on pages 133, 134, August No. of this work.]

CHAP. 151.—*An Act for the relief of stockholders of corporations whose certificates of stock have been lost or destroyed.*

PASSED March 27, 1873.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. Whenever any company incorporated under the laws of this State shall have refused to issue a new certificate of stock in place of one theretofore issued by it, but which is alleged to have been lost or destroyed, the owner of such lost or destroyed certificate, or his legal representatives, may apply to the Supreme Court, at any special term thereof appointed to be held in the judicial district where

such owner resides, for an order requiring such corporation to show cause why it should not be required to issue a new certificate of stock in place of the one so lost or destroyed. Such application shall be by petition, duly verified by the owner, in which shall be stated the name of the corporation, the number and date of the certificate, if known, or can be ascertained by the petitioner, the number of shares of stock named therein and to whom issued, and as particular a statement of the circumstances attending such loss or destruction as such petitioner shall be able to give. Upon the presentation of said petition, said court shall make an order requiring said corporation to show cause, at a time and place therein mentioned, why it should not be required to issue a new certificate of stock in place of the one described in said petition. A copy of said petition and of said order shall be served upon the president or other head of such corporation, or on the cashier, secretary or treasurer thereof, personally, at least ten days before the time designated in said order for showing cause.

SEC. 2. At the time and place specified in said order, and on proof of due service thereof, the said court shall proceed in a summary manner and in such mode as it may deem advisable to inquire into the truth of the facts stated in said petition, and shall hear such proofs and allegations as may be offered by or in behalf of the petitioner, or by or in behalf of said corporation or other party, relative to the subject-matter of said inquiry, and if, upon such inquiry, said court shall be satisfied that such petitioner is the lawful owner of the number of shares of the capital stock, or any part thereof, described in said petition, and that the certificate therefor has been lost or destroyed, and cannot after due diligence be found, and that no sufficient cause has been shown why a new certificate should not be issued in place thereof, it shall make an order requiring said corporation or other party, within such time as shall be therein designated, to issue and deliver to such petitioner a new certificate for the number of shares of the capital stock of said corporation which shall be specified in said order as owned by said petitioner, and the certificate for which shall have been lost or destroyed, In making such order the court shall direct that said petitioner deposit such security, or file such a bond in such form and wifh such sureties as to the court shall appear sufficient to indemnify any person other than the petitioner who shall thereafter appear to be the lawful owner of such certificate stated to be lost or stolen; and the court may also direct the publication of such notice, either preceding or succeeding the making of such final order, as it shall deem proper. Any person or persons who shall thereafter claim any rights under said certificate so alleged to have been lost or destroyed, shall have recourse to said indemnity, and the said corporation shall be discharged of and from all liability to such person or persons by reason of compliance with the order aforesaid; and obedience to said order may be enforced by said court by attachments against the officer or officers of such corporation, on proof of his or their refusal to comply with the same.

SEC. 3.—This act shall take effect immediately.

CHAP. 501.—*An Act to amend an act entitled "An act requiring mortgages of personal property to be filed in the town clerk's and other offices," passed April twenty-nine, eighteen hundred and thirty-three.* PASSED May 13, 1873; three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. The third section of the act entitled "An act requiring mortgages of personal property to be filed in the town clerk's and other offices," passed April twenty-ninth, eighteen hundred and thirty-three, is hereby amended so as to read as follows:

SEC. 3. Every mortgage filed in pursuance of this act shall cease to be valid as against the creditors of the person making the same, or against subsequent purchasers or mortgagees in good faith, after the expiration of one year from the filing thereof; unless within thirty days next preceding the expiration of each and every term of one year after the filing of such mortgage, a true copy of such mortgage, together with a statement exhibiting the interest of the mortgagee in the property thereby claimed by him by virtue thereof, shall be again filed in the office of the clerk or register aforesaid, of the town or city where the mortgagor shall then reside.

CHAP. 595.—*An Act relative to certain negotiable corporate bonds and obligations.* PASSED May 22, 1873; three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. The owner or holder of any corporate or municipal bond or obligation (except such are designed to circulate as currency), payable to bearer, heretofore issued, or which may hereafter be issued, and payable in this State, but not registered in pursuance of any law thereof, may make the same non-negotiable (except as provided in the second section of this act), by subscribing his name to a statement indorsed thereon that such bond or obligation is his property; and thereupon the principal sum therein mentioned shall be payable only to such owner or holder, or his legal representatives or assigns.

SEC. 2. The bonds and obligations mentioned in the last section, after having been indorsed as therein provided, may be transferred by an indorsement, in blank, or payable to bearer, or to order, with the addition of the assignor's place of residence.

SEC. 3. The provisions of this act shall apply to all interest coupons accompanying any corporate or municipal bond or obligation payable in this State.

SEC. 4. So much of chapter eighty-four of the laws of one thousand eight hundred and seventy-one, entitled "An act to authorize

the owners and holders of certain railroad mortgage bonds, made payable to bearer, to render the same payable to order only," as is inconsistent with this act, is hereby repealed.

SEC. 5. This act shall take effect immediately.

CHAP. 807.—*An Act concerning notaries public in the counties of Kings, Queens, Richmond, Westchester and Rockland, and in the city and county of New York, and authorizing them to exercise the functions of their office therein.* PASSED June 18, 1873.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. Any notary public appointed for the county of Kings, Queens, Richmond, Westchester or Rockland, or for the city and county of New York, upon filing a certified copy of his appointment, with his autograph signature, in the clerk's office of any other of said counties, is hereby authorized to exercise all the functions of his office in such other of said counties, with the same effect as he now possesses by law in the county for which he is appointed.

Among the new laws of the State of NEW YORK, passed in the year 1873, were the following:

CHAP. 31.—To incorporate the Albany Safe Deposit Company of the city of Albany.

148.—To incorporate the Mechanics' Savings Bank, of Cohoes, Albany County.

167.—To incorporate the Union Savings Bank, of Saratoga Springs.

242.—To incorporate the New York Loan and Security Company.

260.—To incorporate the Gloversville Savings Bank, Fulton County.

293.—To incorporate the Oneonta Savings Bank, Otsego County.

316.—To incorporate the People's Savings Bank, of Amsterdam, Montgomery County.

508.—To incorporate the Long Island Loan and Trust Company, Brooklyn.

658.—To incorporate the Albany Loan and Trust Company.

673.—To incorporate the Buffalo Safe Deposit Company.

728.—To incorporate the New York Cotton Press Company.

731.—To incorporate the New York Real Estate Guaranty Company.

769.—To incorporate the Bushwick Savings Bank, Kings County.

783—To incorporate the Atlantic Guaranty and Trust Company.

832.—To incorporate the Central Trust Company, of New York.

840.—To incorporate the Manhattan Loan and Trust Company, of the city of New York.

844.—To incorporate the Saratoga Safe Deposit Company.

848.—To incorporate the Cotton and Produce Exchange Clearing House Association.

807.—An Act concerning Notaries. (Authorizes the Notaries Public of New York, Kings, Queens, Richmond, Rockland and Westchester counties to act in either or all of these counties.)

151.—For the relief of stockholders of corporations whose certificates of stock have been lost or destroyed.

585.—To provide for the final closing of incorporated banks.

595.—An Act relative to certain negotiable corporate bonds and obligations (converting bonds payable to bearer into bonds payable to order).

639.—To amend the law of holidays.

697.—An Act to authorize the Steuben County Bank, at Bath, to reduce its capital stock $ 100,000.

The name of the Eighth Ward Savings Bank was changed to Fifth Avenue Savings Bank, New York.

The name of the Atlantic Savings Bank to the Bond Street Savings Bank.

The following places were authorized to borrow money by the issue of bonds, for the respective sums named, session of 1873.

CHAP. 49.—The city of Buffalo, Erie County, $ 40,000.
60.—*The city of Buffalo, Erie County, $ 600,000.
57.—*The city of Rome, Oneida County,† $ 35,000.
58.—The town of Milo, Yates County, $ 1,250.
113.—The city of Utica, Oneida County, $ 18,500.
187.—The town of Newport, Herkimer County, $ 5,000.
216.—The town of Portville, Cattaraugus County, $ 30,000.
226.—*The city of Troy, Rensselaer County, $ 400,000.
253.—The city of Syracuse, Onondaga County, $ 100,000.
285.—*The village of Dansville, Livingston County, $ 25,000.
342.—The city of Newburgh, Orange County, $ 34,000.
350.—*The city of Newburgh, Orange County, $ 70,000.
412.—The town of Johnstown, Fulton County.
458.—Long Island City, Queens County, $ 20,000.
499.—The city of Kingston, Ulster County, $ 60,000.
511.—The treasurer of Oneida County, $ 15,000.
520.—The town of Mamaroneck, Westchester County.
562.—The town of Saline, Onondaga County, $ 1,500.

* For water works. † In addition to former sums.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to September 1, 1873.

	January 1, 1869.	January 1, 1871.	January 2, 1872.	January 1, 1873.	August 1, 1873.	September 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	231,204,100	250,000,000
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	998,290,800	987,117,300
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,726,798,550	$ 1,734,420,950
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$ 7,463,503	$ 7,315,822	$ 1,739,938	$ 4,084,220	$ 20,691,170	$ 12,902,730
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 356,079,967	$ 356,079,937
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	44,372,467	44,889,592
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	42,831,800	44,493,000
Currency, do. do.	....	....	....	25,370,000	33,570,000	32,240,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 476,854,234	$ 477,702,529
Aggregate Debt	$ 2,652,533,662	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,303,645,466	$ 2,304,327,721
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	123,030,875	131,494,537
Debt, less coin and currency	$ 2,540,707,201	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,180,614,591	$ 2,172,833,184

Coin in the Treasury, September 1, 1873, $ 87,190,846; Currency, $ 44,303,691; total, $ 131,494,537.

A NEW CHAPTER ON LEGAL TENDER.

THE VERDICT OF HISTORY.

"Mr. CHASE was not the author of the legal-tender act; it formed no part of the financial scheme which he laid before Congress in December, 1861; and when it was proposed to him from the committee of ways and means, he gave it no countenance. *It was only after persuasion and pressure that he yielded* to the prevailing influence in Congress and accepted the pernicious device of forcing into circulation a government issue of irredeemable paper. To contend that nine years afterward, when his better judgment had freed itself again from the bonds of the war panic, and when experience had clearly shown how just were his original apprehensions of the evil effects of the greenback system, he was still bound by the 'solemnity of his official oath' to stick to *the error into which he had been once beguiled and intimidated*, and to put what he knew to be a false interpretation upon the supreme law, is to carry the doctrine of a pledged judiciary a little farther than we were prepared to see it pushed."

—*New York Journal of Commerce.*

We copy the above from an elaborate article containing many statements and imputations equally vulnerable but less deserving a reply. The extraordinary course of Mr. CHASE in supporting as Secretary of the Treasury the legal-tender act, and as Chief Justice of the Supreme Court of the UNITED STATES deciding to annul it in its main features, is here defended on the ground that when at the head of the finances Mr. CHASE merely accepted the measure "after persuasion and pressure," and that he was "beguiled and intimidated" into assent. The history of the case as it occurred in open day shows not only that it was chiefly through his influence that the bill was passed in the first instance, but that he was after full deliberation committed in the most solemn manner to its legality. At the term of the Court of Appeals in the State of NEW YORK, held in September, 1863, the third year of the war, the validity of the act was maintained by that tribunal by the decisive majority of 6 to 2, and Mr. CHASE, in his report to Congress in December following, thus expressed his congratulations:

"It is a gratification to know that a tribunal so distinguished by the learning and virtue of its members as the Supreme Court of NEW YORK, has given the sanction of its judgment to the constitutional validity of the law." Every holder of a note, he adds, "from a five-cent fractional note to a five-thousand-dollar bond, has a direct interest in the security of national institutions and in the stability of national administration."

The issue of United States notes having the quality of a circulating medium, he further observes, "was justified by the disappearance of coin in consequence of the suspension of specie payments; by the

necessity of providing a medium in which taxes could be collected, loans received, and payments made, and by the obvious expediency of providing that medium in the form of national issues instead of resorting to the paper of banks." His full responsibility for those issues is thus admitted: "In former reports the Secretary has stated his convictions and grounds of them respecting the necessity and the utility of putting a large part of the debt in the form of United States notes without interest and adapted to circulate as money. These convictions remain unchanged and seem now to be shared by the people."

After the first emission of $150,000,000 legal tenders under the act of February, 1862, Secretary CHASE, on the 7th of June following, sent to the committee of ways and means of the House of Representatives an official communication, accompanied by a bill which he prepared authorizing a further issue of a like sum of such notes, stating that:

"If Congress see fit to authorize the additional emission proposed, it seems highly expedient that such part as the public convenience shall require be issued in denominations less than five dollars. I am aware of the general objections to the issue of notes under five dollars, and concede their cogency. Indeed, under ordinary circumstances, they are unanswerable, but in the existing circumstances of the country they lose most if not all their force. The country is involved in the expenditures of a contest for national existence, and it is highly desirable that the burdens of the people shall be made as tolerable as possible."

The condition of the Treasury, he urged, renders prompt action highly desirable, and the act passed on the 11th of July, 1862, authorizing $150,000,000, but limiting the issue of those under five dollars to $35,000,000. In addition to this expansion Mr. CHASE supported a further legal-tender issue until the total amount of such Treasury notes had reached four hundred millions, and he urged the repeal of the provision for funding them in the six per cent. bonds of the UNITED STATES, which repeal Congress assented to, declaring that if not funded on or before the first of July, 1863, the right to do so should cease and determine. He also was the author of the fractional currency (the latter not made a legal tender) and of the bill to authorize $400,000,000 of Treasury notes bearing six per cent. interest (the latter a legal tender at their face value), and of various other forms of currency which so effectually expelled gold from the Atlantic seaboard that the price of it on the 29th of June, 1864, the day preceding his resignation as Secretary, was from $2.35 to $2.50 in currency. It was through his influence, mainly, that those excesses were created in the issue of money which made it difficult to recede, so fully had they become interwoven into the texture of the entire industry and business of the country.

In view of the fact that Mr. CHASE was directly responsible for all the subsequent issues of legal-tender notes after the first issue, it ought to be deemed immaterial what part he took in the first, that of

February, 1862. The *Journal* says that the policy was not recommended in his report to Congress made in 1861. On the contrary, he then relied chiefly on notes not a tender, the establishment of the national bank system, the creation of bonds and a system of taxation; but it was evident that no system of taxation could be then adopted so as to insure collections in time; and it appeared in April, 1865, after the war had terminated, although the act for the creation of national banks had passed as early as February 25, 1863, that the circulation of national bank notes had reached only $ 146,927,975 in two years and two months, a sum so meagre as to show that Mr. CHASE, in December, 1861, when he recommended the measure, was entirely mistaken as to its effect to answer great and pressing demands. In his annual report to Congress in December, 1862, he states that the failure of the banks which occurred on the 31st of December, 1861, and the consequent failure of the government to redeem in coin its demand notes not a tender, and the failure to sell the bonds, had disappointed him and required a change of measures.

The first legal-tender act was adopted on the 25th of February, 1862. On the discussion in the Senate of Mr. COLLAMER's motion to strike out the legal-tender clause, Senator SHERMAN of OHIO urged its retention on the ground "that every organ of financial opinion in this country agrees that there is such a necessity. You commence with the Secretary of the Treasury who has given this subject the most ample consideration. He declares not only in his official communications here, but in his private intercourse with the members of the committee, that this clause is indispensably necessary to the security and negotiability of these demand notes."

Mr. SUMNER, of MASSACHUSETTS, said:

"If I vote for this proposition" (to issue legal tenders) "it will only be because I am unwilling to refuse to the government especially charged with this responsibility that confidence which is hardly less important to the public interests than the money itself. Others may doubt if the exigency is sufficiently imperative, but the Secretary of the Treasury, whose duty it is to understand the occasion, does not doubt. In his opinion the war requires this sacrifice. Uncontrollable passions have been let loose to overturn tranquil conditions of peace. Meanwhile, your soldiers in the field must be paid and fed. Here there can be no failure or postponement. A remedy which at another moment you would reject is now proposed. Whatever may be the national resources, they are not now within reach except by summary process."

When the first bill was before the committee of ways and means of the House, it was referred by them to Mr CHASE, who replied on the 29th of January, 1862, supporting its provisions, but without the directness which arose subsequently from the exigencies of the department. On the 3d of February following he addressed Mr. SPAULDING, chairman of the sub-committee of ways and means, saying: "It is true that I came with reluctance to the conclusion that the legal-tender clause is a necessity, but I came to it decidedly and

I support it earnestly. I do not hesitate when I have made up my mind, however much regret I may feel over the necessity of the conclusion to which I come. . . . . Immediate action is of great importance. The treasury is nearly empty."

On the 5th of February he wrote to Mr. SPAULDING: "It is very important the bill should go through to-day and through the Senate this week. The public exigencies do not admit of delay. After the receipt of this letter, Mr. SPAULDING stated its contents to the House, and moved that the committee rise with a view of closing the debate, but owing to the desire of a few members to make short speeches the motion was negatived, and the bill did not pass the House until the next day. Its passage then was due in great part to the "persuasion and pressure" of the Treasury department upon Congress. Referring to the emergency in his report to Congress at the following session, he says:

"It now became the duty of Congress not merely to provide the means of meeting the vast demands on the Treasury, but to create a currency with which, until the close of the war at least, loans and taxes might be paid to the government, debts to individuals discharged, and the business of the country transacted. Nothing less would satisfy the need of the time."

And yet the *Journal of Commerce* has the boldness to say that Mr. CHASE was "beguiled and intimidated" into acquiescing in the measure. The departure of Mr. CHASE from this path of expressed opinion after he had reached the bench and become a candidate for the presidency is not to be explained by anything contained in the opinion of the court delivered by him against the validity of the act. The explanation of it must be looked for elsewhere, and it will ever be deemed a misfortune to his memory. As Secretary he had described fully the character of the exigency in which our national existence was placed by the failure in December, 1861, as well of all the banks then in existence as of the Treasury,—bonds could not be sold except at ruinous rates, taxation was then too tardy, no relief in time could be expected from the creation of national banks, the demand notes not a tender were and would continue to be discredited, the Treasury was without money or credit, and frightfully in debt to soldiers clamorous for pay; the scope of the powers of Congress in war with respect to the issue of legal tenders he had defined, declaring that the powers were ample for the purpose; the effect of the measure in sustaining the war and in securing an efficient war currency he had warmly extolled. As Chief Justice he held—sustaining a KENTUCKY tribunal with rebel sympathies and overturning the nearly unanimous decisions of the Northern States—that there was no such exigency, no such effect from the measure and no such power, even if the life of the nation depended upon its exercise, and even although such a power could be wielded against us for purposes of attack, as it was by ENGLAND in 1815. Helpless would be the condition of a country which upheld such rules of law or such a judiciary.—*Boston Daily Advertiser*.

THE FRENCH MINT AND BANK OF FRANCE.

Hotel des Monnaies.

A mint existed in Paris, under the second race of kings, in the royal palace of the Ile de la Cité. It was afterwards established in the rue de la Monnaie, and removed in 1775 to the present building, erected on the site of the Hôtel de Conti, after the designs of Antoine. The principal front is 360 feet in length, and 78 high. It has three stories. In the centre a projecting mass with five arcades on the ground floor supports six Ionic columns, crowned with an entablature and an attic, ornamented with festoons and statues. The front towards the rue Guénégaud is 348 feet in length. The ground plan includes eight courts, of which the central one, the most spacious, has two pedimented pavilions facing each other. The central arcade of the principal front leads into a vestibule, adorned with twenty-four fluted Doric columns. On the right is an Ionic staircase, with a bust of Antoine, the architect.

We next enter a magnificent saloon, called the *Musée Montaire,* adorned with twenty Corinthian columns in stucco, supporting a gallery. This room contains an immense collection of the coins of France and other countries, chronologically classified, besides the medals struck on various public occasions, such as marriages, victories, etc. They are contained in five rows of stands on each side, besides others in the embrasures of the windows. The stands to the left on entering contain medals only; those to the right, coins. The series of the former commences at the stand in the embrasure of the first window to the left, proceeds regularly to the third, thence to the stand immediately opposite, and ends with that nearest to the entrance. The oldest authentic medal here is one of Charlemagne, an invaluable relic, of excellent execution; the earliest medal of which the original die exists is one of Charles VII, (1461). Medals of Boccaccio, Louis XII, Henry VIII, Francis I, Loyola, Mary, Queen of Scots, Sixtus V, Cardinal Richelieu (a superb medal by Varin, 1630, for which his life was spared), Cardinal Mazarin, &c., will successively meet the visitor's eye, until, gradually descending to the present period, he will find medals commemorating all the stirring events of the last few years: the proclamation of the Republic of 1848; the days of June, Cavaignac's administration; the visit of the French National Guards to London in October, 1848; the 2d of December, 1851; the Proclamation of the Empire; the visit of the Queen of England in August. 1855; the taking of Bomarsund and of Sebastopol, the marriage of Prince Napoleon with Princess Clotilde, &c., besides an immense number

of medals with portraits of the princes or leading personages of all countries, such as Queen ISABELLA of SPAIN, VICTOR EMMANUEL of ITALY, NARVAEZ, KOSSUTH, etc. The medals struck in commemoration of the Great Exhibition are all in the stands of the right-hand windows, together with a collection of French copper money before the re-coinage; smaller stands before the piers of the windows contain private medals or counters,* and Japanese, East Indian, and Chinese coins; the oldest of the latter is dated 1700 years before CHRIST.

We now come to the five rows of stands to the right on entering, which contain the coins. Many of the places are now empty, owing to the transfer of upwards of 6,000 coins to the National Library; nevertheless, many of them have been replaced by duplicates. The most interesting of the English coins is a silver penny of WILLIAM the Conqueror (1006); of the Spanish, one of King TUICA (date 638). There are, besides the African cowrie, Mexican, Bolivian, Greek, Turkish money, etc. The fifth row from the entrance contains the whole series of French coins, from the time of the Gauls down to the present time. Four large glass presses flanking the entrance and the chimney-piece opposite, contain an interesting collection of standard weights and measures, implements for engraving, stamping, etc., and chemical substances used for the purposes of fining.

In adjoining rooms are several models of the furnaces, instruments, &c., used in coining and assaying money, and other stands containing a numismatic gallery of the Kings of FRANCE, of modern workmanship. The last room of this series is called the *Salle Napoléon;* here are arranged nearly all the dies of medals struck under the Consulate and the Empire; here is also a splendid colossal marble bust of NAPOLEON I, executed for FOUCHE by CANOVA in 1806, a model in bronze of the mask taken from the Emperor's face at St. Helena, twenty hours after his death; and a bust of NAPOLEON III, by BARRE; a model of the pillar of the Place Vendôme in bronze, now, alas! doubly interesting. It was executed by BRENET, in the proportion of 1 to 24, and cost 6000 francs. A glass case contains a representation in wax of the bas-reliefs with which its shaft is encircled. On a table, under a glass case, is a closed casket, containing a collection of all the coins struck with the effigy of NAPOLEON I, in the kingdom of ITALY, given to the Musée by NAPOLEON III when he was President.

Returning to the first hall, a door opposite the entrance to the right leads to the staircase of the gallery. Here, before ascending, we may remark the Chinese coins arranged in a glass stand. In the first room above we find a series of seals of State, from King DAGOBERT down to the second Republic; also the seals of the five great vassals or feoffees of the crown. The gallery of the large saloon contains private dies, among which we may find the heads of

* The coinage of medals and counters is a privilege of the mint of Paris. The net profit under this head amounts to about 26,000 francs.

Madame de GENLIS, Lord BYRON, and many other distinguished personages; and in the following galleries and rooms are the dies of historical medals, with the busts of DIANE DE POITIERS, HENRY IV, MARIE THERESE of Austria, LOUIS XIV, etc. In the last room, a glass stand contains prize medals, another opposite Masonic counters, and the presses contain dies of the Restoration, the time of LOUIS PHILIPPE, and the late reign. One of the presses is partly filled with specimens of mineralogy, and metals in their refined state.

A very copious and learned catalogue is published of the whole, with detailed descriptions of the medals, price only three francs. Medals of which the dies are retained are sold to visitors for the benefit of the establishment at a trifling cost; but of the coins of which only one specimen exists, or of which the dies are lost, casts exactly resembling the originals are exhibited in the cases of the museum, the originals being carefully preserved but not shown to the public. In this Hôtel are performed all the operations of coining, besides the assaying and stamping of the gold and silver for jewelers, etc., who are obliged by law to have every article stamped before it can be sold. It is also the seat of the general administration of the coinage of the State.

The *Laboratory* of the Mint is entered from the court to the left. In the first room are two steam-engines of thirty-two horse-power, by which all the machinery of the establishment is worked. A door to the left leads hence to the furnace-room, with six furnaces containing from 800 to 1200 kilogrammes of silver each. The bars cast here in iron moulds are afterwards taken to the *grand atelier*, a lofty hall, where sixteen rollers are in constant motion, flattening the bars to the required thickness, according to the coin they are intended for. After this process, the bars, which have acquired greater length and compactness by successive rolling, are taken to another furnace-room adjoining to the first, where they are exposed to a red heat, to render them more malleable. Thence they pass into the hands of the cutters, who are accommodated in a gallery running all round the top of the grand atelier. Here round pieces of the required size are cut out of the bars by machinery, and what remains of the bars is taken back to the melting-furnaces. The pieces are now weighed; if too light, they are sent down to be melted; if too heavy, they are reduced by a sort of plane. This machine is so constructed as to throw aside the piece as soon as it has undergone the process of planing, so that it only requires feeding.

When the pieces prove of the standard weight, they are taken to a room communicating with the gallery, where, after being exposed to a red heat, they are cleansed in a mixture of water and sulphuric acid. They are now reduced to the exact diameter required, by the action of a machine which at the same time gives a slight elevation to the rim. The floors of the grand atelier and of the gallery are latticed, so that a piece falling down cannot roll away or stick to the shoes of a person treading upon it.

Gold is worked in another room adjoining the engine-room; visitors are not allowed to enter, on account of the small particles of gold with which the floor is strewed, and which are carefully swept up; but the process is the same as that described above. The coining-machines are in a hall opposite the principal entrance in the first court. There are eleven of these machines, viz: one for gold, six for five-franc pieces, two for two-franc pieces, and two for small coin. When they are all worked at once, they produce 1,500,000 francs per day. They are the invention of M. THONNELIER, and well deserve inspection. Each strikes off seventy pieces per minute.

MONETARY SYSTEM.

Accounts are kept in FRANCE in francs, each of ten decimes or 100 centimes. The modern gold coins are pieces of 100 francs, fifty francs, twenty francs, ten francs, and five francs, commonly called "pièces de cent francs," "de cinquante francs," "de vingt francs," (napoleons,) "de dix francs," "de cinq francs." The silver coins are five franc (pièce de cent sous), two franc (pièce de quarante sous), one franc (pièce de vingt sous), half-franc (pièce de dix sous), and pieces of twenty centimes. The copper coins are two sous, one sou, and two and one centime. In the monetary system of FRANCE,* the coins, if accurately minted, may serve also as weights. Thus, ten francs in copper (new coinage), 200 in standard silver, or 3100 in standard gold, weigh one kilogramme; the piece of one franc weighs five grammes, and any other piece in the same proportion. The notes issued by the BANK OF FRANCE are of 5, 10, 20, 25, 50, 100, 500, 1000 and 5000 francs, convertible into silver at the bank, at par, except two sous for the bag; or, at a small charge into silver or gold, at the money-changers'. In reckoning for twenty-five sous they say one franc twenty-five centimes; for thirty sous, one franc fifty centimes, etc. The gold and silver coins contain one-tenth alloy; but small silver coin only contain 0.79 of the pure metal.

COMMERCIAL ESTABLISHMENTS.

THE CHAMBER OF COMMERCE consists of the prefect of the department and twenty-one bankers or merchants, five of whom are elected annually by the patented merchants of Paris, who have carried on business in it for one year at least. They communicate with the government upon commercial affairs, superintend buildings connected with trade, attend to the execution of the laws against smuggling, etc. They meet at No. 2 Place de la Bourse, every Wednesday.

The EXCHANGE is open daily from 12 till 3 for the sale of public securities, and till 5 for other transactions. Sixty *agents de change*, sixty *courtiers de commerce*, and eight *courtiers d'assurance*, named by

* Before 1795 accounts were kept in livres, of twenty sous, or 240 deniers. The louis was rated at twenty-four livres; the large *écu*, at six; and the *petit écu*, at three livres. There were also pieces of thirty and of fifteen sous, of base metal. There are mints at Bordeaux, Lille, Lyons, Marseilles, Rouen, and Strasbourg, all under the authority of the "Commission des Monnaies."

the government, are alone authorized to transact public business here. The sale of stock, railroad shares, bills of exchange, etc., belongs exclusively to the agents de change, but bills are allowed by tolerance to be negotiated by brokers. The courtiers de commerce certify the price of gold and silver, fix the price of merchandise, rates of freight, etc. The courtiers d'assurance fix the rates of insurances, etc. The legal price of public effects and goods is fixed daily at the close of Change by the agents de change and courtiers, and registered by the *Commissaire.*

BANK OF FRANCE.

BANQUE DE FRANCE, erected by MANSARD, for the Duke de la VRILLIERE, in 1620, and purchased by the Count de TOULOUSE, a natural son of LOUIS XIV, in 1713. At the time of the revolution it was occupied by the Duc de PENTHIEVRE and the Princess de LAMBALLE, son and grand-daughter of the Count de TOULOUSE. The national printing-office was afterwards established in it, until it was appropriated to its present use in 1812. Its spacious apartments were formerly gorgeously decorated, and the ceiling of the Galerie Dorée still displays some beautiful paintings by FRANCOIS PERRIER. The most remarkable part of the buildings are the cellars where all the bullion is kept. They are only accessible by a single winding staircase, admitting but one person at a time; and in case of alarm they can be inundated, or filled with mephitic vapors, so as to suffocate any one attempting to enter.

BANK OF FRANCE, rue de la Vrillière.—This institution was formed in 1803, by a law which gave it the exclusive privilege of issuing notes payable to the bearer at sight, until 1867. Its charter was renewed in 1857, extending its duration to December 31st, 1897. Since 1848, it has branches in all the departments. It also has a branch bank at Algiers. It is directed by a governor, two deputy governors, fifteen regents, three censors, and a council, composed of twelve members, which superintends the discounts. The governor presides over the council of regency, and every year a general council, composed of 200 of the largest shareholders, audits the accounts. The operations of the bank consist in discounting bills of exchange or to order, at dates not exceeding three months, stamped and guaranteed by at least three signatures of merchants or others of undoubted credit; in advancing money on government bills, at fixed dates; on bullion or foreign gold, silver coin, and public securities; in keeping an account for voluntary deposits of every kind, government securities, national and foreign, shares, contracts, bonds of every kind, bills of exchange, other bills, and all engagements to order or to bearer, gold and silver bars, national and foreign coin, and diamonds, with a charge for keeping, according to the value of the deposit and length of time; in undertaking to recover the payment of bills for individuals and public establishments having accounts current with the bank, and in making payments for them to the amount of

the sums entrusted. Open from 9 to 4 daily, except Sundays and festivals, for the exchange of bills against specie and for discounting. To be admitted to discount, and to have a running account at the bank, a request must be made in writing to the governor, accompanied by the certificate of three well-known persons. The usufruct of bank shares may be ceded, but the fee-simple may still be disposed of. The shares may be *immobilisées*, that is, converted into real property, by a declaration of the proprietor. The capital of the bank, which at first consisted of forty-five millions of francs, is now represented by 182,000 shares of 1000 francs each, exclusive of the reserve fund. The interest on the original price of these shares, which varies commonly from 12 to 15 per cent., can never be under 6 per cent. The lowest rate of discount since 1852 has been 2½ per cent., and the highest 9. The notes in circulation, which are of 5000 francs, 1000 francs, 500 francs, 200 francs, 100 francs, 50 francs, 25 francs, 20 francs, 10 francs, and 5 francs, represent about 2,013 millions of francs; the specie and bullion in reserve amounted in July, 1871, to 656 millions of francs. The accounts are submitted to the governor every evening, and a balance-sheet is published once a month.* The bank has its own private printing office.

CAISSE D'AMORTISSEMENT, ET CAISSE DES DEPOTS ET CONSIGNATIONS, 56 rue de Lille.—These two establishments, both under the control of the Government, are administered by a committee, composed of the governor of the BANK OF FRANCE, the president of the Chamber of Commerce, a director of the Ministry of Finance, and four members appointed by the Government. The Caisse d'Amortissement conducts all operations relative to the reduction of the public debt of the country. The Caisse des Dépôts et Consignations receives all moneys deposited in it in consequence of legal awards, and other public proceedings, or by any public functionaries, for which it allows interest at the rate of 4½ per cent. per annum after the money has been deposited ten days. No interest is paid for less than thirty days, and ten days' notice must be given in order to withdraw the capital. Private individuals may also deposit money here on the same terms, except the interest, which, for them is only 1 per cent. During the legislative session the president of the commission makes a report, which is published.†

CAISSE DES RETRAITES POUR LA VIEILLESSE, instituted by a law of June 18, 1850. Its capital consists of voluntary contributions of five francs at least, by persons of any age from three years upwards. Foreigners enjoying civil rights are admitted to contribute. Every contribution bears 4½ per cent. compound interest. The capital contributed is reimbursed *in toto* at the contributor's death to his heirs, provided he has notified his intention to that effect at the time of his first payment. At the age of fifty and upwards, the contributor may,

* The BANK OF FRANCE, notwithstanding the war and its having been for two months at the mercy of the Commune, has gallantly weathered the storm. Its return for 1871 shows business to the amount of 10,594,320,973 francs, branch banks included, being about 200 millions more than the previous year.

† The following was the account of the Caisse on January 1st, 1869: Receipts, 1,011,446,495 francs; payments, 954,989,910 francs; in hand January 1st, 634,433,461 francs.

two years after the first payment, claim an annuity, not exceeding 1,500 francs. Every contributor receives a *livret*, where his accounts with the establishment are registered. The *Caisse des Retraites* is conducted by a permanent committee, of which the Minister of Agriculture and Commerce is president. All the sums it receives are employed in buying *rentes*.†

COMPTOIR NATIONAL D'ESCOMPTE, rue Bergère, 14.—This establishment, created by the Provisional Government in 1848, to meet the commercial crisis of that period, has been found so useful, that its charter has been prolonged to 1887. It is under the management of a director, an assistant director, a board of fifteen administrators, and three censors. There is also a *Conseil d'Escompte*, composed of tradesmen named by the board. Capital, 80,000,000 francs. The operations of the *Comptoir d'Escompte*, which, since 1854, is under the authority of the Minister of Finance, consist: 1. In discounting bills with two signatures and falling due within 100 days, provided they be upon Paris or towns possessing a branch of the BANK OF FRANCE; 2. In discounting bills upon other towns of the departments or foreign parts, bearing two signatures and falling due within sixty-five days; 3. In opening accounts to private persons depositing their capital, which bears 2 per cent. interest. It also discounts receipts of goods deposited in the general warehouses of the State, in accordance with the decree of March 21, 1848.‡ The present rate of discount is 4 per cent. This establishment has no longer any branches in Paris as before; but it has opened agencies at Nantes and a few other French towns, and also in London, and at La Réunion, Calcutta, Bombay, Hong-Kong, and Shanghai. The business of these agencies consists in local operations, in discounting bills drawn on foreign parts as well as FRANCE, and remittances to the central *Comptoir*. The local transactions amounted in 1869 to 847,381,647 francs; the discount business to 171,512,592 francs, and the remittances to 298,415,973 francs. Since 1870, the Comptoir d'Escompte has established agencies at Marseilles and Alexandria in EGYPT.§

CREDIT FONCIER DE FRANCE, 19, rue Neuve des Capucines.—A joint-stock company, authorized in 1852, for the purpose of investing money upon mortgage throughout FRANCE on the following principles, viz:—The property to be unshackled by previous mortgages; the loan not to exceed one-half of the real value; maximum interest, 5 per cent.; the mortgage extinguishable by an annual payment of from 1 to 2 per cent. Another annual charge to cover the ordinary

† The receipts of the *Caisse des Retraites* amounted, January 1st, 1869, to 12,952,491 francs; the disbursements to 1,065,063 francs; capital accumulated, 135,592,407 francs. The *retraites* of all the functionaries of the State are now become a separate source of revenue, to provide for a Civil Service Superannuation Fund.

‡ The scarcity of money was so great at that time, that the Provisional Government opened the warehouses of the State to tradesmen, that they might there deposit their goods. Upon the receipts given in return, they raised money by loan at the *Comptoir d'Escompte*. This system still continues.

§ During the year ending June 30th, 1871, the *Comptoir d'Escompte* discounted 334,633 bills, to the amount of 408,107,658 francs. It also delivered receipts for deposited goods, to the amount of 5,921,613 francs. This was about one-half of its usual business.

expenses of the company, which may issue bonds of 100 francs and upwards, payable to bearer or otherwise, up to the amount of the loans effected, bearing interest, and to be withdrawn from circulation in the same proportion as the loans are reimbursed. If a mortgager fail to pay his annuity, his property is liable to sequestration and sale by public auction. The company is under the authority of the Minister of Finance, and cannot turn its capital to other purposes. It is bound to extend its loans to the amount of 200 millions of francs, the State contributing ten millions thereto. Its Board of Directors consists of a governor and two sub-governors named by the Government, and twenty administrators, including three receivers-general of the taxes. It has twenty-six branch establishments in the departments. *

CREDIT AGRICOLE.—This is an off-shoot of the Crédit Foncier, and established in the same buildings. It lends to agriculturists on securities for the purpose of enabling them to execute improvements on their land. During the disastrous year 1870 it transacted business to the amount of 213,800,079 francs, in conjunction with its seventeen country branches.—*Galignani's Paris Guide.*

BANK CIRCULATION.—Much curiosity has been excited by a comparison between the gold premium in the UNITED STATES and that which prevails in FRANCE, but we believe that the solution is not difficult. The BANK OF FRANCE is authorized by law to issue, whenever it shall deem such action necessary, paper money to the extent of three thousand two hundred millions of francs, equal to $640,000,000, but has managed affairs with so much judgment and financial ability that the amount has never been issued within nearly $70,000,000, while the volume of paper currency afloat in this country is $779,663,000, in round numbers, although the business requirements of FRANCE are fully as great as those of the UNITED STATES. With no more population, and no more urgent use for money, we have nearly $200,000,000 more currency in circulation. This notable redundancy is of itself quite sufficient to cause a marked discrepancy between the gold premiums in FRANCE and in the UNITED STATES, but it is not enough to account for a difference of fifteen per cent., which actually obtains at this date. We are, therefore, compelled to seek additional reasons, which can be found without much trouble. The BANK OF FRANCE enjoys the monopoly of currency issues; but in this country that privilege is shared between the Government and the national banks, which latter have actually emitted some $60,000,00C over the $300,000,000 originally prescribed by law as the maximum of their right to issue. As a result, the French market has been steadily and wisely conducted in accordance with a fixed policy, and has been singularly free from those speculative excitements and spasms which have become habitual in New York and other leading American money centres.—*Commercial Herald.*

* The number of loans contracted with this Company up to January 1st, 1870, was 18,799, and amounted to 1,080,850,518 francs.

The Bank of France.

Official report of liabilities and resources, August 1872 and 1873.

Liabilities.	*Aug.* 14, '73. *Francs.*	*Aug.* 16, '72. *Francs.*	*Sept.* 8, '70. *Francs.*
Capital of the bank	182,500,000	182,500,000	182,500,000
Profits in addition to capital	7,654,240	7,648,631	7,045,160
Reserve of the bank	22,105,750	22,105,750	22,105,750
Reserve of landed property	4,000,000	4,000,000	4,000,000
Special reserve	24,364.209	24,364,209	——
Notes in circulation	2,904,382,475	2,274,435,895	1,745,050,775
Receipts payable at sight	8,974,385	8,773,355	84,768,321
Treasury account current	118,114,528	593,299,811	178,779,821
Current accounts, Paris	146,978,931	498,188,373	334,406,630
" branch banks	23,770,828	85,891,752	107,365,186
Dividends payable	3,939,469	3,770,713	1,394,076
Interests on securities transf'd	3,457,081	3,881,006	——
Discounts and interests	11,178,443	12,912,736	13,771,800
Rediscounted	4,778,387	3,063,393	1,157,050
Bills not disposable	1,504,659	6,450,623	——
Reserve for eventual losses	8,136,299	14,000,000	——
Sundries	2,003,574	1,888,129	12,412,834
Total, 1872, 1873	3,477,843,262	3,747,173,881	2,694,757,406

Resources.	*Aug.* 14, '73. *Francs.*	*Aug.* 16, '72. *Francs.*	*Sept.* 8, '70. *Francs.*
Coin in hand	715,535,277	781,108,840	808,002,713
Commercial bills over-due	131,671	3,213,655	776,687
discounted, not yet due	493,077,792	577,343,090	792,569,240
Bonds of the city of Paris	14,782,500	——	——
Treasury bonds	1,228,062,500	1,360,392,500	——
(Treaty of June 2, 1873)	142,000,000	——	——
Commercial bills, branch banks	450,279,579	498,589,351	635,724,335
Advances on deposits of bullion	5,622,900	32,714,400	18,382,400
in branch banks	3,684,600	4,696,500	7,691,350
in French public securities	27,617,300	22,258,400	53,417,000
by branch banks	15 310,250	18,774,300	11,864,910
on railway shares and debent's.	49,802,200	21,092,900	44,796,200
by branch banks	16,488,350	20,949,250	39,488,350
on Credit Foncier bonds	31,749,800	1,205,500	5,015,800
branches	685,000	821,300	1,527,390
to the State (Conv. June 10, '57)	60,000,000	60,000,000	60,000,000
Gov't stock reserve	12,980,750	12,980,750	12,980,750
disposable	67,021,500	66,460,568	80,557,187
Rentes Immobilisees (Law of June 9, 1857)	100,000,000	100,000,000	100,000,000
House and furniture of the bank	7,731,939	7,776,815	——
Expenses of management	1,819,163	986,550	——
Advances to the city of Paris	——	45,125,000	——
Sundries	33,460,190	60,684,209	——
Total, 1872, 1873	3,477,843,262	3,747,173,881	2,694,757,406

Bank Notes.—The freedom with which Bank of France notes pass from hand to hand has produced a neglect of the most ordinary caution as to their genuineness, traders accepting the paper offered them without the slightest examination of it. This want of care has encouraged forgery, by the facility with which spurious notes may be put in circulation, and the grossest imitations frequently pass for a time undetected. Two young men of 19 have just been tried in Paris for uttering false notes they had themselves manufactured, with no other materials than tracing-paper, a pair of compasses, a steel pen, ink, and a box of colors. It seems scarcely credible that they should have succeeded in passing ninety-four 20f. notes of such rude execution. They at last came to grief from a similar want of caution; impunity engendered temerity, and they were detected by a butcher's wife, from whom they had endeavored to obtain a genuine 100f. note in exchange for five 20s of their own.

—*London Economist*, *August*, 1873.

LLOYD'S, LONDON.

This celebrated establishment consists of a set of rooms on the first floor of the Royal Exchange, London, frequented by merchants, ship-owners, underwriters, etc., for the purpose of obtaining shipping intelligence, and transacting marine insurances. One large room, with small room attached to it, is set apart for the use of the underwriters, and there two enormous ledgers lie constantly open, the one containing a list of vessels arrived, the other recording disasters at sea. In the same series of rooms there is a self-registering anemometer and anemoscope for the use of the underwriters; also a valuable collection of charts for consultation. The extent of business transacted here may be imagined when we consider that the amount annually insured amounts to about £40,000,000.

None but members of Lloyd's, who have duly paid the fees, are allowed to transact business there either as insurance brokers or underwriters. The shipping intelligence is furnished by agents appointed for the purpose, and there is scarcely a port of consequence where one is not stationed. The agent receives no salary, his labor being amply compensated by the advantages he derives from the connection. The intelligence contained in the ledgers is also diffused over the country every afternoon by the publication of *Lloyd's List.* There are two other rooms—the reading room, which is merely an extensive news-room; and the captains' room, where auctions of ships are carried on, and where captains and merchants can meet together in a sociable manner. The society of Lloyd's is managed by a committee of twelve, selected from among the members, who also appoint the agents and officials of the establishment. The expenses are defrayed by fees and annual subscriptions.

Lloyd's Register of British and Foreign Shipping is a volume published annually, and containing information respecting vessels, their age, materials, repairs, owners, captains, etc. This information is supplied by salaried agents at the different ports. The office of the *Register* is quite distinct from Lloyd's of the Exchange.

The name Lloyd's, which is now generically applied, arose from the circumstance that the headquarters of the London underwriters was originally Lloyd's Coffee-house.

AUSTRIAN LLOYD'S, an association for general, commercial, and industrial purposes, was founded in Trieste, by Baron BRUCK, in 1833, to supply the want experienced by the maritime insurance companies of that port, of a central administration to attend to their common interests. This association, like its London prototype, has agents in all the principal foreign ports, whose duty it is to collect all information of a nature to affect the commerce and navigation of Trieste, and to keep a list of all entrances and clearances of ships

at their respective ports. This information is published in the *Giornale del Lloyd Austriaco.* This company has established regular communication between Trieste and all the important seaports in the Adriatic and Levant, by means of a large fleet of steamers, which also carry the Austrian mails. The society of A. L. includes three sections; the first is composed of insurance companies, the second of steamboat companies, while the third or scientific department (established in 1849) has a printing press, an engraving room, and an artistic establishment for the perfecting of engraving on copper and steel. This last section has issued a great number of journals and periodicals of a literary and scientific description.

A change in the legal status and position of the society for effecting marine insurance was made by an Act of Parliament forming its members into a corporate body, 34 VICT., c. 21, citable as "Lloyd's Act, 1871."

Originally it was a voluntary society of members, whose common bond of unity was a deed of association, dated 30th of August, 1811, which governed the joint affairs and the management and regulation of the room and the business there transacted.

Apart from this common bond of unity, and from what may be called the social interest in matters of general concern, each individual member acted upon his own responsibility, and took premiums and insured risks on his own individual liability.

The effect of the Act of Parliament which constitutes Lloyd's a corporate body is to create an improved constitution in the society without making any marked alteration in the accustomed mode of transacting insurance business.

In matters of joint concern the society obtains a better foundation and greater freedom of action, but the contracts of insurance continue much as before, the personal engagements of the underwriting members for the amounts underwritten by them. The Act nominates a committee with ample power for regulating the affairs of the society, and for making by-laws for the transaction of business, subject to allowance by the Recorder of the city of London.

It has been notified that, in future, policies of insurance underwritten by members will be distinguished by a stamp bearing the words: "Subscribed by underwriting members of Lloyd's only, 34 and 35 VICT., cap. 21, sec. 31." Any imitation of this stamp is punishable on summary conviction before two justices, with a £20 penalty.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 221, September No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of August, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

AUGUST.	1873.		1872.		1871.		1870.		1869.		1868.	
1 Friday	15¼	15¾	15¼	15½	12⅛	12¼	20⅞	21⅝	Sun.		44¾	45⅝
2 Saturday ..	15⅜	15½	15¼	15½	12	12¼	21⅝	22	36⅛	**36⅝**	Sun.	
3 **Sunday.**	Sun.		15⅜	15½	12	12¼	21¼	21⅝	35⅝	36⅛	45	45½
4 Monday ...	15¼	15½	Sun.		12⅛	12¼	21⅝	**22**	35⅝	36	45⅝	46½
5 Tuesday ..	15¼	15½	15⅜	**15⅝**	12⅛	12¼	21⅛	21½	35⅞	36½	47	48⅛
6 Wednesday	15⅜	15⅝	15¼	15½	Sun.		20¾	21⅜	36	36½	48½	**50**
7 Thursday..	15⅜	15⅝	15⅛	15⅜	12¼	12⅜	Sun.		36⅛	36⅜	47⅜	48½
8 Friday	15¼	15½	15⅛	15½	12¼	12⅜	18½	19⅜	Sun.		46¾	47⅞
9 Saturday ..	15⅜	15½	15⅜	15⅝	11¾	12⅛	17⅞	18⅝	36	36⅜	Sun.	
10 **Sunday.**	Sun.		15⅜	15½	**11⅝**	12	16¾	18	35½	35⅞	46⅜	47⅜
11 Monday ...	15⅜	15½	Sun.		12	12⅜	15⅞	17⅜	35⅛	35½	45⅝	46⅜
12 Tuesday...	15⅛	15⅜	15⅜	15⅝	12¼	12½	17⅛	18	34	35⅛	46⅜	46⅞
13 Wednesday	15⅛	15⅜	14¾	15½	Sun.		17½	17⅞	34⅛	34¾	47⅛	47¾
14 Thursday..	14⅝	15¼	14⅝	14⅞	12⅜	12½	Sun.		33⅞	34⅜	46¾	48
15 Friday	**14⅜**	15	14⅝	15⅛	12⅜	12⅝	16½	17¾	Sun.		46⅝	46⅞
16 Saturday ..	14⅞	15⅜	15	15⅜	12⅛	12⅜	16¾	17¼	33⅝	34⅛	Sun.	
17 **Sunday.**	Sun.		15.	15⅜	12⅜	12⅝	17¼	17¾	32⅞	33⅝	46¼	47¼
18 Monday...	15¼	15⅝	Sun.		12¾	**13¼**	16¾	17	32¾	33⅜	45⅞	46⅝
19 Tuesday ..	15⅜	15⅝	14⅛	15	12⅝	12⅞	16	16¼	32¾	33⅝	44⅞	45½
20 Wednesday	15⅜	15½	13⅞	14⅜	Sun.		**14¾**	15¾	32⅝	33	**43½**	44⅞
21 Thursday .	15⅜	15⅝	13⅞	14¼	12⅜	12⅞	Sun.		**31¼**	32⅛	43⅞	44¾
22 Friday	15¾	16⅛	13¾	14¼	12⅜	12¾	15⅛	15¾	Sun.		43⅞	44½
23 Saturday ..	15¾	**16¼**	13¼	13⅞	12¼	12⅝	15¾	16½	31½	32⅛	Sun.	
24 **Sunday.**	Sun.		12¾	13½	12½	12⅞	16⅜	17¾	32⅜	32⅞	44⅝	45½
25 Monday ...	15¾	16⅛	Sun.		12⅜	12⅝	16⅝	18	32⅞	33¾	44½	46
26 Tuesday ..	15⅜	15¾	**12⅛**	12⅞	12⅜	12⅝	16½	16⅞	33	34	44	45
27 Wednesday	15⅛	15½	12½	13	Sun.		16⅝	16⅞	32⅜	34½	44⅜	45¼
28 Thursday..	15¼	15½	12¾	13¼	12½	12¾	Sun.		33⅝	34½	44⅝	45¼
29 Friday....	15⅛	15¾	12⅞	13⅛	12⅝	12¾	16⅛	16⅜	Sun.		44¾	45
30 Saturday ..	15¼	15½	12⅝	12⅞	12⅝	12¾	16	16½	33⅜	34⅛	Sun.	
31 **Sunday.**	Sun.		12¾	12⅞	12⅝	13	16⅛	17⅛	33½	33⅞	44½	45

MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

DATE.	1868.		1869.		1870.		1871.		1872.		1873.	
January ..	33¼	42¼	34⅝	36⅞	19⅜	23¼	10½	11¼	8½	10⅛	11⅝	14¼
February .	39⅝	44	30⅞	36⅛	15	21¼	10¾	12¼	9½	11	12⅞	15⅛
March	37⅞	41⅜	30¼	32½	10¼	16	10⅛	11⅝	9¾	10½	14⅝	18½
April	37¾	40⅜	31⅜	34¾	11½	15⅝	10⅛	11¾	9⅞	13½	16¾	19⅛
May......	39⅛	40½	34⅝	44¾	13¾	15½	11	12¼	12⅛	14⅜	16⅝	18⅝
June	39⅜	41¼	37	39⅝	10⅞	14¾	11¾	13⅛	13	14¾	15	18¼
July	40⅛	45¼	34	37⅞	11⅛	22¾	11¾	13⅝	13½	15¼	15	16⅜
August ...	43½	50	31¼	36⅝	14¾	22	11⅝	13¼	12⅛	15⅝	14⅜	16¼
September.	41⅛	45¼	33⅛	62½	12¾	16⅜	12¾	15⅜	12¾	15⅛	—	—
October...	33¾	40⅜	28⅛	31¾	11⅛	14¼	11½	15	12¼	15⅛	—	—
November.	32⅛	37	21⅛	28⅜	10	13¼	10⅜	12⅜	13⅜	14¼	—	—
December.	34½	36¾	19	24	10½	11⅜	8⅜	10⅜	11½	13¼	—	—

For the daily price of gold from January, 1863, to December, 1872, see the *Banker's Almanac* for 1873.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page 222, September No.*)

STOCKS.	JUNE, 1873. *Lowest.*	JUNE, 1873. *Highest.*	JULY, 1873. *Lowest.*	JULY, 1873. *Highest.*	AUG., 1873. *Lowest.*	AUG., 1873. *Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	122¼	123⅛	119¼	120⅛	119⅛	120½
" Five-Twenty of 1862, "	115⅞	117⅛	116½	117¼	117	117½
" " 1864, "	116¼	117¼	116½	117¾	117	117⅝
" " 1865, "	116⅝	119⅛	118	119½	118¾	119⅝
" " 1865, New, "	118⅞	120¾	116	118⅞	117	117¾
" " 1867, "	120⅝	121⅞	117¼	119⅛	118⅝	119⅝
" " 1868, "	119⅞	120⅞	117½	118¾	118	119
" Ten-Forty Coupon Bonds.....	112⅞	115	114¼	115½	115½	116⅛
" Five per cent. of 1881.........	114⅝	115¾	114⅝	115⅞	113¾	114⅞
" Six per cent. Currency.........	113¼	114½	114¼	115½	113½	114⅝
Tenn. Six per cent. Bonds, Old.....	79	81	80¼	81⅝	81¾	82½
" " " New.....	78½	80½	79¾	81½	81⅝	82¼
Virginia Six per cent. Bonds, Old..	43½	43½	..	..	..	..
" " " New....	..	..	50	50	..	..
" " " Consol..	54⅝	55¼	52¾	54⅛	51¾	53¼
N. Carolina Six per ct. Bonds......	26	28	28	28	..	..
" " New.......	16	16	16	16	16	16
" " Special Tax	12¾	12¾	13	14	..	..
S. C. Six per ct. Bds. Jan. & July..	15¼	16¼	14½	15¼	15	15
" " April & Oct..	25	25¼	20¼	20¼	..	..
Missouri Six per cent. Bonds.......	93⅞	97	92	94	92	93¼
Canton Company of Maryland.....	99	101	99½	103	98	102
Delaware and Hudson Canal Co....	118	119	114½	120	112½	114½
Consolidated Coal Co. of Maryland.	49½	54⅝	54	55¾	54	55
Quicksilver Mining Company......	38	41½	37	39½	38	39⅞
" " Preferred	49¼	50¾	48	48	..	..
Mariposa Mining Company.........	..	..	..	..	..	..
" " Preferred	½	1	..	..	½	½
Western Union Telegraph Co......	81⅛	86½	84¼	93½	87⅞	93⅝
Pacific Mail Steamship Company..	35½	41⅝	34½	40	36¾	45½
Adams Express Company..........	93	94¾	94¼	95	92¼	95
Wells, Fargo & Co. Express Co....	80	83	72	78	72½	74½
American Merchants' Union Express	63¼	68¾	61½	65	61½	64
United States Express............	70½	72	65⅝	73	67	68¼
N. Y. Cent. and Hudson River R. R.	100⅝	102⅛	101¾	105¾	103⅞	105⅜
Erie Railroad, Common...........	61⅝	65⅝	58	65½	58⅝	61⅞
" Preferred...........	71	74½	71½	73½	72	73½
Harlem Railroad, Common Shares.	124	132¾	125	134	130¼	133⅞
Reading Railroad Shares..........	..	..	..	..	..	..

Stocks.	June, 1873. Lowest.	June, 1873. Highest.	July, 1873. Lowest.	July, 1873. Highest.	Aug., 1873. Lowest.	Aug., 1873. Highest.
N. York & New Haven R.R. Shares..	132½	140¼	134	138	136	138
Michigan Central Railroad Co.....	95	102½	90	95½	91	95½
Lake Shore & Mich. Southern R.R..	90¼	94⅜	91⅜	96½	92¼	95⅜
Panama Railroad Company Shares..	108	112⅜	110	117¾	113	116½
Union Pacific Railroad " ..	22	28⅜	24½	29¼	25¾	29
Illinois Central Railroad " ..	105	114	106	110½	106¼	109
Cleveland & Pittsburgh R.R. " Gtd.	87⅛	88	86	89¼	87⅛	89½
" Col., Cinn. & Ind. R.R...	84¼	88	85	89	84	86
Chicago, Rock Island & Pacific R.R.	107¾	110⅞	108⅞	111¾	108⅜	110¾
" Burlington & Quincy "	103¾	105	98¼	105	98¾	106
" & Alton Railroad Shares..	108	110	108½	109½	104¼	110
" " " Pref.	112	112½	..	..	111½	111½
" & Northwestern R.R. Shares	70½	76	68⅛	71¾	64	69¼
" " " Pref.	81	85	80½	84	81¼	83¾
Del., Lackawanna & West. R.R. Co.	96	106	97¼	102⅛	100	102
Pittsb'gh, Ft. Wayne & Chic., Guar.	93⅛	95	93¼	93⅜	93½	94
Toledo & Wabash R.R. Co. Shares.	64¾	69¾	68⅛	73⅛	67¼	73
" " " Pref.	..	..	85	85	..	..
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
" " " Pref.	..	..	..	..	..	..
Ohio & Mississippi R.R. Co. Shares	36⅝	41⅞	38½	41¼	38	40⅜
Hannibal & St. Joseph R.R. "	32	37¼	36¾	42	36	39½
" " " Pref.	54	54½	54¼	60	52	54¼
Milwaukee & St. Paul R.R. Shares	49⅜	55⅜	50¾	53⅞	50⅜	53¾
" " " Pref.	70¾	73	72½	74¾	70	74
Boston, Hartford & Erie R.R. Shares	2	3	2¾	3	2½	2¾
Col., Chic. & Ind. Cen. R.R. Shares	26½	31¾	27¾	33¾	30	32⅜
Dubuque & Sioux City Railroad...	..	..	54	58	60	62
New Jersey Central Railroad Shares	105	106½	101½	105¾	102¼	103½
Morris & Essex Railroad Shares...	90½	95	91	92½	91¼	92⅜
N. Y. Central Six p. ct. Bds. of 1883	90½	93	93	94	91⅜	93
Erie First Mortgage Bonds of 1868..	101⅞	102½	102½	104	104	104¼
Long Dock Bonds.................	96¼	96½	96	96	95¾	96
Mich. Southern Sinking Fund Bonds	103	104	103	105	104	104
" Seven p. ct. 2d Mtge.	98	99	98¾	99½	99⅞	99⅞
Central Pacific 1st Mortgage Bonds	102⅞	103½	99⅞	101¼	99⅝	100⅜
Union " " "	86	87¼	81	86	80	82½
" " Land Grant Bonds..	67½	71½	69½	72	71	73½
" " Income Bonds......	57	63⅞	59¼	61	61⅜	65
Alton & Terre Haute 1st Mtge. Bds.	100	102	98	98¼	99	100
" " 2d " Pref.	88½	90	90	90¾	87½	88
" " " Income Bds.	78½	80	78	78	..	..
Belleville & So. Ill. 1st Mtge. 8 p. ct.	97¼	97¼	..	..	..	..
Chic. & N. W. Consol'n S. F. Bonds	89½	91¼	92	93¼	90½	92¾
" " 1st Mortgage Bonds..	100½	102	101	102	97	100
Cleveland & Tol. Sinking Fund Bds.	104¼	104¼	..	..	101	101½
" & Pittsb'gh Consol'n Bds.	94	94	95	95	..	..
" " Second Mtge.	102	102	102⅛	102⅛	..	..
" " Third "	98½	98½	98¼	98½	98	99
" " Fourth "	..	..	85	85¼	85½	87½
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	104½	106½	102¾	103	102	102¾
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds.	97⅞	100½	100	102	96	97
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	87¾	89	88½	89	89¼	90¼
" " " " 2d "	70	72	71½	72½	69½	70
Toledo, Peoria & Warsaw 1st, E D.	91	91	91	91	92	93
" " " 1st, W D.	89	89½	90	90½	..	..
" " " 2d, W D.	75	77	75	76	77	77
Cedar Falls & Minn. 1st Mtge. Bds.	81	81½	78½	80	79¾	79¾
Boston, Hart. & Erie 1st Mtge. Bds.	28	35½	32	34½	31⅝	34½

THE RAILROADS OF THE UNITED STATES.

A Manual of the Railroads of the UNITED STATES *for* 1873–1874. *By* H. V. & H. W. POOR, *New York;* 8*vo., pp.* 850. *Price* $ 5.

This new volume is the sixth of the series and contains ample details and descriptions of every railroad in the UNITED STATES, (about fourteen hundred in number); showing their mileage, stocks, bonds, cost, traffic, earnings, expenses and organizations; with a sketch of their rise, progress, influence, etc. The editors have inserted an appendix containing a full analysis of the debts of the UNITED STATES and of the several States. The volume is a valuable one to every railroad company, and to every capitalist interested in railroad shares and bonds.

We learn from this work that the State of ILLINOIS has the greatest number of miles of railroads in operation, viz: 5,174; OHIO the next, 4,754; NEW YORK, the third in extent, 4,731; and PENNSYLVANIA, the fourth, 4,332. These together form about one-third of the aggregate mileage of the whole country. The State having the greatest number of miles of railroad per square mile of territory, is MASSACHUSETTS. This State has only four miles of territory per mile of railroad. The next is CONNECTICUT, five miles; NEW JERSEY, six; ILLINOIS, PENNSYLVANIA and DELAWARE, eight miles each; RHODE ISLAND, NEW YORK, OHIO and INDIANA, a fraction over nine miles of territory to each mile of railroad. There are no others having less than ten square miles of territory to each mile of railroad in operation.

Mr. POOR'S volume contains particulars as to the aggregate cost of railroads in each State; from which we learn that the total capital employed in the construction of 57,323 miles of railroads,

was	$ 1,647,844,113
and the amount of capital borrowed by bonds was..	1,511,578,944
a grand total of capital...........................	$ 3,159,423,057

equivalent to an average cost of $ 55,116 per mile. The expenses of construction were much larger in the Atlantic States than in the Mississippi valley, viz.: In PENNSYLVANIA, $ 88,000 per mile; NEW JERSEY, $ 87,000; NEW YORK, $ 76,000; MASSACHUSETTS, $ 73,000; while in the Western and Southern States the cost was from twenty-four to seventy-one thousand per mile. In CALIFORNIA, owing to the paucity of population and the price of labor, the average cost was ninety-eight thousand per mile.

Of these vast sums, the largest expended in any one State in behalf of railroads was in PENNSYLVANIA, viz.: $384,000,000; next, NEW YORK, $336,000,000; OHIO, $339,000,000; ILLINOIS, $248,000,000. The outlay in any other State did not exceed 187 millions up to this period.

In the item of annual revenue the largest for the year 1872, was:

In PENNSYLVANIA	$74,350,000
In NEW YORK	60,920,000
In OHIO	55,516,000
In ILLINOIS	43,796,000
In MASSACHUSETTS	25,363,000
In INDIANA	24,414,000
In NEW JERSEY	20,122,000

The aggregate receipts for the year were $473,241,000, viz.:

From Passengers	$132,309,200
From Freight	340,931,800

Of which 304 millions (a fraction over sixty-four per cent.) was collected in the seven States above named. If we were to add the moneys received by express companies, as freight, over and above that charged to and paid by them to the companies, the grand aggregate would exceed five hundred millions of dollars for the year, or nearly sixteen per cent. of their original cost; a proportion not too large, when we consider the risks of the investments in such property.

When we compare these aggregate investments with those in the UNITED KINGDOM, the following results appear:

	Miles of Railroad.	*Aggregate Cost.*	*Annual Receipts.*
UNITED STATES	57,323	$3,159,423,000	$473,241,000
UNITED KINGDOM	15,376	*2,680,500,000	†237,126,000

In the UNITED STATES the operating expenses for the year were $307,486,000, or sixty-five per cent. of receipts.

In the UNITED KINGDOM the gross receipts for the year were £48,892,000, and the working expenses £23,152,000, showing a net income of £25,740,000, or ratio of fifty-two per cent. in expenses to income.

There is one addition which Mr. POOR can with great advantage make to the next volume of this series; an addition which would add fifty per cent. to the value of the work, in the eyes of railroad constructors, officers and directors. We allude to a copious descriptive list of the railroad improvements and patents of the year, including improved machinery and patents relating to all parts of a railroad, railroad cars, engines, and appurtenances. For the want of such a chapter, in a work addressed to and prepared for railroad engineers, officers and directors, many of these cotemporary inventions are likely to remain unknown for years. At present we can refer to no

* £552,680,000 Sterling. † £48,892,000.

work containing such a synopsis; and while the compilation would occupy but little space (say eight or ten pages), it would be a decided advantage, both to inventors and to railroad men—to patentees and to all classes of mechanics.

The following extracts from Mr POOR's recent Manual will indicate to the reader the labor involved in collecting and arranging the copious and valuable statistics comprised in the 850 pages of his volume for the current year.

In the preparation of the preceding tables, the number of inhabitants in each State and Territory is estimated according to the ratio of increase shown by the census of 1870, and is undoubtedly very nearly correct. In giving the ratio of railroad mileage to area and to population, the whole number of miles of completed railroad, as shown on page xxix of the introduction, is taken. For the States of MAINE, NEW HAMPSHIRE, MASSACHUSETTS, CONNECTICUT, NEW YORK. PENNSYLVANIA, OHIO, INDIANA, ILLINOIS, MICHIGAN, IOWA, MINNESOTA, ALABAMA and TEXAS, the mileage is taken from the official reports of railroad commissioners, or other State officers. Elsewhere, the division by State boundaries is made upon the reports of the various railroad companies. In the extended tabular statements, showing the cost, earnings, etc., no reference in the matter of mileage is paid to political boundaries, the roads being usually assigned to those States in which the greater portion of their line is found. In estimating the ratio of mileage to cost, earnings, etc., only those roads are included whose operations are given. For example, the total number of miles of completed road, as shown on page xxix, is 67,104. The mileage of those, the operations of which are given, is only 57,323. While, therefore, the statement of ratio of mileage to area and population is strictly according to the fact, the summary of mileage for each State in the table of cost, earnings, etc., may be very wide of it. So with the earnings: The State of IOWA shows only $8,968,646 of earnings, and only $6.82 to an inhabitant, while the actual earnings of all the roads in operation in that State were undoubtedly twice that sum; but they are embraced in the statements of railroads which have portions of their lines in other States. The earnings, per head, of the railroads of the several States will undoubtedly nearly equal the aggregate of those of the group with which they are classified, and into which the country, from its topographical features, naturally divides itself, viz.: The New England States, comprising all that section which lies to the east of the Hudson River and the railroads parallel to it; the Middle States, occupying the region north of the Potomac, and east of the Ohio River and the great lakes, including WEST VIRGINIA; the Western States, including all north and west of the Ohio River to the Rocky Mountains; the Southern States, embracing all south of the Potomac and Ohio Rivers, except WEST VIRGINIA; and the Pacific States and Territories. Each of these groups expresses not only

natural divisions of the country, but they all differ greatly in the industrial pursuits of their people. Those of the New England States are commercial and manufacturing; those of the Middle States, commercial and mining; those of the Western States are engaged in agriculture—in the production of the cereals; those of the Southern States in the production of cotton, in the cultivation of large plantations. The industries of the Southern States, however, are slowly undergoing a radical change; but this change has not yet proceeded sufficiently far to affect the conditions or prospects of their railroads. The people of the Pacific States are largely engaged in mining the precious metals.

It will be seen that there is a difference between the total number of miles of completed railroad and that of roads the operations of which are given, of 9,781 miles. This mileage is largely made up of lines which are only partially completed, and of which 6,427 came into operation during the year, and which, for sufficient reasons, make no return of earnings. Statements showing the financial condition of such roads will be found in their proper places in the body of the *Manual.* In a few instances, we have been unable to obtain any information whatever in reference to completed lines, and in other cases, only gross returns of earnings have been made, without any division between those received from passengers and from freight. In such cases, we have made an estimate of these items based on the actual returns received from roads situated in the same group and transacting a similar business. It must be remembered that railroad companies in this country are voluntary associations, and, in a great majority of cases, are not compelled to publish annual reports. It is also to be borne in mind that there is no fiscal year common to all the railroads of the country, or even to those of the same State, so that the period embraced in these tables is that of the last preceding fiscal year of the company, and not the calendar year, 1872.

The total cost of the railroads, the operations of which are given for the past year, as shown by the preceding table, is $ 3,159,423,057, made up of $ 1,647,844,113 of capital stock, and $ 1,511,578,944 of various forms of indebtedness, chiefly of bonds maturing at distant periods. The capital stock amounted to 52.15 per cent. and the debt to 47.85 per cent. of the total cost. The cost of these roads per mile was $ 55,116. The gross earnings for the year were $ 473,241,055, of which $ 132,309,270, or 28 per cent. was received for the transportation of passengers, and $ 340,931,785, or 72 per cent. for the transportation of freight, including under this head the small amount received from "miscellaneous sources." The receipts per mile were $ 8,256. The ratio of earnings to population was $ 11.76 per head. The operating expenses for the year were $ 307,486,682, or 65 per cent. of the gross receipts, leaving $ 165,754,373, or 35 per cent. as net earnings. The per centage of gross receipts to the total cost of the roads was 15 per cent.; of net earnings, 5.2 per cent. The amount paid in dividends was $ 64,418,151, or 3.91 per cent. of the aggregate capital stock. The balance of net earnings,

$ 101,336,222, was equal to 6.70 per cent. on the aggregate indebtedness of the roads.

The earnings of the railroads of the several sections differed, of course, very greatly, the most productive lines being those embraced in the groups which include the New England and the Middle States. The railroads of New England earned, during the past year, $ 48,519,835—being $ 10,636 per mile, and $ 13.53 per head of population. Their total cost was $ 230,609,794, of which 55.94 per cent. was represented by capital stock. Their cost per mile was $ 50,418. Their gross earnings were 21.1 per cent. of their cost. Their net earnings $ 14,436,481, and at the rate of 6.26 per cent. of their total cost. The dividends paid amounted to $ 8,569,877, or 6.64 per cent. on the aggregate capital stock of $ 129,012,748.

The cost of the railroads of the Middle States was $ 922,700,774, or $ 79,427 per mile, of which 60.56 per cent. was represented by capital stock. Their earnings were $ 169,205,702, or $ 14,565 per mile, and $ 15.86 per head of population. The net earnings were $ 59,527,048. The gross receipts were 18.3 per cent. of the total cost; the net earnings 6.4 per cent. The amount paid in dividends was $ 32,344,971, or 5.79 per cent. of the capital stock of $ 558,838,174. In the State of New York, however, the capital accounts of the New York Central and the Erie railroads include $ 101,498,248 of fictitious capital, of which $ 54,436,626 was issued by the former as the estimated value of its property above cost, and $ 47,061,622 by the latter as the discount on bonds converted into stock. These sums, deducted from the capital stock of the railroads of that State, reduced the amount in that group to $ 457,339,926, and the cost of the roads to $ 821,202,526. The per centage of gross earnings on this sum was 20.6 and of net earnings 7.25; and the dividends paid were 7.09 per cent. of the actual capital stock of the roads.

The total mileage of the railroads of the Western States, the operations of which are given, was 28,778—built at a cost of $ 1,472,625,232—made up of $ 724,686,046, or 40.21 per cent. of capital stock, and $ 747,939,186 of debt. The cost per mile was $ 50,550 against $ 50,418 for New England and $ 79,427 for the Middle States. The gross earnings were $ 193,826,252; being $ 13.76 per head of population. Net earnings, $ 67,317,083. The ratio of gross receipts to cost was 13.1 per cent. against 21.1 in New England and (with the reduced capital) 20.6 per cent. in the Middle States. The ratio of net earnings to cost was 4.57 per cent. against 6.26 for New England, and 7.24 for the Middle States. The number of inhabitants per mile of road in the Western States is 433; in the New England and Middle States, 770. The receipts per mile in the Western States were $ 6,735 against $ 10,636 in New England, and $ 14,565 in the Middle States. The dividends were $ 20,496,447, being 2.83 per cent. on the capital stock.

These statements disclose, at a glance, the position of the Western railroads. Their unproductiveness, compared with those of the

Eastern States, is due simply to the excess of mileage to population. The earnings per head are nearly as great in the former as in the latter. Should no more railroads be constructed in the Western States for six or seven years, this disparity would be corrected by the rapid increase of their population; which may be estimated at 600,000 annually. The increase of earnings from such increase of population would fully equal $ 8,000,000 annually, which, together with the increase of receipts from the permanent population, estimated at one dollar per head, annually, would, were no new lines set in operation, soon bring up the receipts per mile and per cost of the Western railroads to the standard of the New England and Middle States.

The leading railroad companies of the West are largely responsible for the excess of mileage that has been constructed. The Milwaukee and St. Paul Railway has increased from 830 miles in 1868 to 1,396 in 1872. Its stock and bonds have in the same time increased from $ 30,578,618, to $ 56,290,644; while the earnings have only increased from $ 6,577,645 to $ 6,957,771. Nearly the whole increase of mileage has proved unproductive. The Chicago and North Western Railway has also enormously increased its mileage in the construction of branch lines, so that the gross revenue upon its investments is considerably below the average for the Western States. It is increasing its bonded debt to $ 48,000,000, to complete the various enterprises which it has undertaken. Its share capital at the close of the fiscal year for 1872 amounted to $ 35,878,644. To these two sums is to be added the capital of its leased lines, making an aggregate of nearly $ 100,000,000, with earnings, at the rate of the last fiscal year, of only about 11 per cent. While these vast additions to mileage and cost have been going on, the earnings of the road have declined from $ 12,614,846, in 1868, to $ 11,402,161 in 1872. The stockholders of these roads should put a stop to a policy so suicidal—a policy which is working more mischief to the railroad interests of the country than all other causes combined, and which, unfortunately, has been indulged in, though in a less degree, by other roads than those named.

In the Southern States, the total mileage, of which operations are given, was 10,986. The cost of the railroads was $ 401,913,267—or $ 36,575 per mile—being less than one-half the cost per mile of those of the Middle States, and 70 per cent. of the cost per mile of those of the New England and Western States. The capital stock was $ 171,683,155, or 42.71 per cent. of total cost, and the debt, $ 230,230,112. The gross earnings were $ 47,788,539—being $ 4,350 per mile—against $ 10,636 for New England, $ 14,565 for the Middle and $ 6,735 for the Western States. The net earnings were $16,455,490. The earnings per head were $ 4.31. The ratio of gross receipts to cost was 11.88 per cent.; of net earnings, 4.09 per cent. The dividends paid amounted to $ 3,006,856—being 1.5 per cent. of the capital stock.

The recent war proved a severe check to the prosperity of the

railroads in this section of the country. The revolution in their industries which is slowly going on in these States will prove, in the end, of great advantage, though considerable time will be required to restore to them their former material prosperity.

In the Pacific States, with a mileage of only 1,368, the cost has been $ 131,573,990—or $ 98,300 per mile—represented by $ 63,623,990 or 49.11 per cent. of capital stock, and 50,89 per cent. of indebtedness. The gross receipts were $ 13,900,727, or 10.5 of the cost, and the net earnings 8,018,271, or 57.7 per cent. of the gross earnings and 6 per cent. of the total cost. The earnings per mile were $ 10,161; per head of population, $ 17.

By reference to the preceding statements, it will be seen that the train mileage is fully given for the more important States. That for MASSACHUSETTS was 14,167,563; the earnings were $25,363,177; the earnings per mile run by trains, $ 1.79. For NEW YORK, the train mileage was 33,181,291; earnings, $ 60,920,055; earnings per mile run, $1.83. For PENNSYLVANIA, the train mileage was 54,799,869; earnings, $ 74,349,343; earnings per mile run, $1.36. For OHIO, the train mileage was 43,319,941; earnings, $ 55,516,435; earnings per mile run, $ 1.28. For ILLINOIS, the train mileage was 30,369,720; earnings, $ 43,796,478; earnings per mile run, $ 1.44. For the five States, the mileage was 175,838,384 miles; the earnings, $ 259,945,488; earnings per mile run, $ 1.49 nearly. The receipts per mile for the whole country will not differ much from the above rate. In round numbers, the gross earnings may be estimated at the rate of $ 1.50 per mile run; net earnings, 50c.

It is to be borne in mind that the motive for building railroads in this country is often not so much the direct income to be derived from them as the incidental advantages they secure. The Pennsylvania Railroad, one of our largest and most prosperous enterprises, was undertaken as a means of increasing the trade of Philadelphia, and could not have been constructed without the aid furnished by that city in its corporate capacity. A railroad is now regarded as a necessary highway for every community, and its construction is to be secured, if it cannot be otherwise, in the same manner as ordinary highways. To this end the State of NEW YORK has authorized nearly all its cities and towns to subscribe to the stock of railroads. In the West, land grants have been another powerful motive to the construction of these works. Many of those that have been constructed for the reasons stated are among the most productive, although for a time the ratio of income to cost is very small, and shows most unfavorably in contrast with those of the Eastern States or of foreign countries.

As will be seen, the earnings from the transportation of freight the past year were nearly three-fourths of the gross amount. The ratio of freight to passenger earnings is constantly increasing—a most favorable feature, as it indicates a very rapid development of the industries of the country. The total number of tons transported the past year will probably exceed 200,000,000 tons. The tonnage

for the New England States exceeded 16,633,800 tons, or 3,660 tons to the mile. The tonnage in the Middle States equaled 93,400,000, or 8,041 tons per mile. The tonnage for both groups equaled 110,033,800 tons, or 6,790 to the mile. The immense tonnage for the Middle States is due largely to the anthracite coal trade of PENNSYLVANIA. It is only in the States in which railroads are required by law to make returns, that we have been able to give them complete. In the State of OHIO, the tonnage of its road equaled 17,061,707, or 3,588 tons to the mile; in ILLINOIS, 11,841,178 tons, or 2,245 per mile.

We have the means of ascertaining the rate of increase of railroad tonnage only in three States, MASSACHUSETTS, NEW YORK, and PENNSYLVANIA, the railroads in those States having been required in 1863, and consecutively since, to make annual returns of their operations. The following statement will show the increase in these States, in a period of ten years:

	Tons moved on railroads in		
Years.	*Massachusetts.*	*New York.*	*Pennsylvania.*
1873	9,160,729	17,309,894	55,012,051
1862	3,708,670	5,803,955	15,745,375
Increase in 10 years	5,452,059	11,505,939	39,266,676
Increase per cent	147	200	249

In the above table, only the tonnage actually transported over roads within the States named is given. In all cases where the reports embrace tonnage also counted in other States, by reason of the road lying partly in each State, or on branch roads connecting with a main line, the proper deduction has been made.

With regard to the future increase of receipts, it is probable that they will double themselves in the next ten years—that is to say, in 1881 their receipts will reach $ 1,000,000,000. The States in which the actual increase in ten years ending in 1872 can be ascertained were those first named. In the State of MASSACHUSETTS, the mileage in operation in 1863 was 1,249; the receipts were $ 10,843,579; and the receipts per mile were $ 7,483. The mileage in 1872 was 1,453; the receipts, $ 25,363,177; and the receipts per mile, $17,455. The increase of mileage was 204 miles, or 16.3 per cent., while the increase in receipts was $ 14,519,598, or 134 per cent., and the increase in receipts per mile was $ 9,972, or 133 per cent. The mileage in New York in 1863 was 2,426; the receipts, $ 30,591,661. The receipts per mile in 1863 were $ 12,568. In 1872, the mileage was 4,731, an increase of 94 per cent.; the receipts, $ 60,920,055, an increase of over 99 per cent.; and the receipts per mile, $ 12,876, an increase of about $ 300 per mile. An extraordinary impulse has been given to the construction of railroads in NEW YORK for the past few years, by the provision of law allowing municipal corporations to subscribe to their capital stock.

In PENNSYLVANIA, the mileage in 1863 was 2,757; the receipts, $ 33,046,463, and the receipts per mile, $ 11,970. In 1872, the

mileage in operation was 4,332, an increase of 57 per cent.; the receipts were $74,349,343, an increase of 133 per cent.; the receipts per mile, $17,102, an increase of 43 per cent.

The receipts of the railroads of these three States, in 1863, were $74,481,503; in 1872, $160,632,575—an increase of $86,151,072; or over 115 per cent. The receipts per mile in 1863 were $11,580; in 1872, $15,275, an increase of $3,695 per mile, or over 30 per cent.

The total mileage of the railroads in the UNITED STATES has more than doubled since 1863. It is fair to presume that the ratio of increase in receipts has been one-half greater than in mileage. The earnings, therefore, for 1863 may be fairly estimated at $190,000,000 against $472,241,055 for 1872, showing an increase in ten years of $280,000,000 or $28,000,000 annually.

The correctness of these estimates will be fully verified by reference to the condensed statements, for the leading railroads, covering periods of ten years.

The railroads of GREAT BRITAIN are the only ones, outside this country, the results of the operations of which can be compared intelligibly with those of our own. But it would be improper to compare the railroads of MASSACHUSETTS with those of IOWA in hope of deducing any valuable inference therefrom; the earnings of a railroad depend upon its age. Those of MASSACHUSETTS, the greater part of them, at least, have been in operation twenty years; those of IOWA, say five. The investment in each State may be nearly the same, per mile, but the earnings, from the short time in which the roads of the latter have been in operation, may not be half as great in one case as in the other. A comparison of the results of the operation of the railroads of the UNITED KINGDOM with those of the UNITED STATES is subject to the same objection, as the railroad mileage in the former increases very slowly, while that of the railroads in the UNITED STATES has doubled itself within ten years.

A CITY WITHOUT A CLEARING HOUSE.—The London *Times* of the 2d July (money article) says: A movement has been started by the leading merchants of Liverpool to remedy a grievance, the existence of which in any large commercial town at the present day will, to every London man of business, appear almost incredible. To those who are not familiar with the local customs of the place, the fact that the facilities of ordinary banking accounts are virtually unknown there, that the payments of each day, estimated to average about two millions sterling, are made from hand to hand in bank notes and gold, and that all the losses, embezzlements, waste of interest and other evils of this state of affairs have been tolerated because the community generally have been too indifferent to adopt a concerted resolution for overthrowing the opposition of certain classes of bankers or brokers, will seem among the most singular announcements. In 1867 the Chamber of Commerce made an attempt in favor of a civilized system, which had no result; but a memorandum published to-day in the Liverpool *Daily Post*, setting forth the precise nature of the case and urging a new and vigorous effort, may now, perhaps, meet with more success. By London merchants the matter will be watched simply with the curiosity which attends any struggle between modern habits and the clumsy usages of former times.

NOTICES OF NEW PUBLICATIONS.

I. *Lombard Street: a description of the Money Market. By* WALTER BAGEHOT. *London*, 1873. *Re-printed by* SCRIBNER & CO. 12*mo.*, *pp.* 359, *price*, $ 1.75.

This is an interesting volume by a competent writer, devoted to the following topics:—1. General view of Lombard street. 2. How Lombard street came to exist, and why it assumed its present form. 3. The Chancellor of the Exchequer. 4. The mode in which the value of money is settled. 5. Why Lombard street is often very dull. 6. The BANK OF ENGLAND and the bank reserve. 7. The Government of the Bank. 8. The Joint-Stock Banks. 9. The Private Banks. 10. The Bill Brokers. 11. The Principles of Banking, &c. We annex the writer's general views on Lombard street.

The objects which you see in Lombard street, and in that money world which is grouped about it, are the BANK OF ENGLAND, the private banks, the joint-stock banks, and the bill brokers. But before describing each of these separately we must look at what all have in common, and at the relation of each to the others.

The distinctive function of the banker, says RICARDO, "begins as soon as he uses the money of *others;*" as long as he uses his own money he is only a capitalist. Accordingly all the banks in Lombard street (and bill brokers are for this purpose only a kind of bankers) hold much money belonging to other people, on running account and on deposit. In continental language, Lombard street is an organization of credit, and we are to see if it is a good or bad organization in its kind, or if, as is most likely, it turn out to be mixed, what are its merits and what are its defects?

The main point on which one system of credit differs from another is "soundness." Credit means that a certain confidence is given, and a certain trust reposed. Is that trust justified? and is that confidence wise? These are the cardinal questions. To put it more simply—credit is a set of promises to pay; will those promises be kept? Especially in banking, where the "liabilities," or promises to pay are so large, and the time at which to pay them, if exacted, is so short, an instant capacity to meet engagements is the cardinal excellence.

All which a banker wants to pay his creditors is a sufficient supply of the *legal tender* of the country, no matter what that legal tender may be. Different countries differ in their laws of legal tender, but for the primary purposes of banking these systems are not material. A good system of currency will benefit the country, and a bad system will hurt it. Indirectly, bankers will be benefited or injured with the country in which they live; but practically, and for the purposes

of their daily life, they have no need to think, and never do think, on theories of currency. They look at the matter simply. They say—"I am under an obligation to pay such and such sums of legal currency; how much have I in my till, or have I at once under my command, of that currency?" In AMERICA, for example, it is quite enough for a banker to hold "greenbacks," though the value of these changes as the Government chooses to enlarge or contract the issue. But a practical New York banker has no need to think of the goodness or badness of this system at all; he need only keep enough "greenbacks" to pay all probable demands, and then he is fairly safe from the risk of failure.

By the law of ENGLAND the legal tenders are gold and silver coin (the last for small amounts only), and BANK OF ENGLAND notes. But the number of our attainable bank notes is not, like American "greenbacks," dependent on the will of the State; it is limited by the provisions of the act of 1844. That act separates the BANK OF ENGLAND into two halves. The issue department only issues notes, and can only issue £15,000,000 on Government securities: for all the rest it must have bullion deposited.

There are £15,000,000 bank notes issued on securities, and £18,288,640 represented by bullion. The BANK OF ENGLAND has no power by law to increase the currency in any other manner. It holds the stipulated amount of securities, and for all the rest it must have bullion. This is the "cast iron" system—the "hard and fast" line which the opponents of the act say ruins us, and which the partisans of the act say saves us. But I have nothing to do with its expediency here. All which is to my purpose is that our paper "legal tender," our bank notes, can only be obtained in this manner. If, therefore, an English banker retains a sum of BANK OF ENGLAND notes or coin in due proportion to his liabilities, he has a sufficient amount of the legal tender of this country, and he need not think of anything more.

But here a distinction must be made. It is to be observed that properly speaking we should not include in the "reserve" of a bank "legal tenders," or cash, which the bank keeps to transact its daily business. That is as much a part of its daily stock-in-trade as its desks or offices; or, at any rate, whatever words we may choose to use, we must carefully distinguish between this cash in the till which is wanted every day, and the *safety*-fund, as we may call it, the special reserve held by the bank to meet extraordinary and unfrequent demands.

What then, subject to this preliminary explanation, is the amount of legal tender held by our bankers against their liabilities? The answer is remarkable, and is the key to our whole system. It may be broadly said that no bank in London or out of it holds any considerable sum in hard cash or legal tender (above what is wanted for its daily business) except the banking department of the BANK OF ENGLAND. That department had on the 29th day of December, 1869, liabilities as follows:

Public deposits....................................	£ 8,585,000
Private deposits....................................	18,205,000
Seven-day and other bills........................	445,000
Total....	£ 27,235,000

and a cash reserve of £11,297,000. And this is all the cash reserve, we must carefully remember, which, under the law, the banking department of the BANK OF ENGLAND—as we cumbrously call it—the BANK OF ENGLAND for banking purposes—possesses. That department can no more multiply or manufacture bank notes than any other bank can multiply them. At that particular day the BANK OF ENGLAND had only £11,297,000 in its till against liabilities of nearly three times the amount. It had "Consols" and other securities which it could offer for sale no doubt, and which, if sold, would augment its supply of bank notes—and the relation of such securities to real cash will be discussed presently; but of real cash, the BANK OF ENGLAND for *this* purpose—the banking bank—had then so much and no more.

And we may well think this a great deal, if we examine the position of other banks. No other bank holds any amount of substantial importance in its own till beyond what is wanted for daily purposes. All London banks keep their principal reserve on deposit at the banking department of the BANK OF ENGLAND. This is by far the easiest and safest place for them to use. The BANK OF ENGLAND thus has the responsibility of taking care of it. The same reasons which make it desirable for a private person to keep a banker make it also desirable for every banker, as respects his reserve, to bank with another banker if he safely can. The custody of very large sums in solid cash entails much care, and some cost; every one wishes to shift these upon others if he can do so without suffering. Accordingly, the other bankers of London, having perfect confidence in the BANK OF ENGLAND, get that bank to keep their reserve for them.

The London bill brokers do much the same. Indeed, they are only a special sort of bankers who allow daily interest on deposits, and who for most of their money give security. But we have no concern now with these differences of detail. The bill brokers lend most of their money, and deposit the remnant either with the BANK OF ENGLAND or some London banker. That London banker lends what he chooses of it, the rest he leaves at the BANK OF ENGLAND. You always come back to the BANK OF ENGLAND at last.

But those who keep immense sums with a banker gain a convenience at the expense of a danger. They are liable to lose them if the bank fail. As all other bankers keep their banking reserve at the BANK OF ENGLAND, they are liable to fall if it fails. They are dependent on the management of the BANK OF ENGLAND in a day of difficulty and at a crisis for the spare money they keep to meet that difficulty and crisis. And in this there is certainly considerable risk. Three times "Peel's Act" has been suspended because the banking department was empty. Before the act was broken

In 1847, the banking department was reduced to	....	£ 1,994,000
In 1857, " "	....	1,462,000
In 1866, " "	....	3,000,000

In fact, in none of those years could the banking department of the BANK OF ENGLAND have survived if the law had not been broken.

Nor must it be fancied that this danger is unreal, artificial, and created by law. There is a risk of our thinking so, because we hear that the danger can be cured by breaking an act; but substantially the same danger existed before the act, In 1825, when only coin was a legal tender, and when there was only one department in the bank, the bank had reduced its reserve to £ 1,027,000, and was within an ace of stopping payment.

But the danger to the depositing banks is not the sole or the principal consequence of this mode of keeping the London reserve. The main effect is to cause the reserve to be much smaller in proportion to the liabilities than it would otherwise be. The reserve of the London bankers being on deposit in the BANK OF ENGLAND, the bank always lends a principal part of it. Suppose, a favorable supposition, that the banking department holds more than two-fifths of its liabilities in cash—that it lends three-fifths of its deposits and retains in reserve only two-fifths. If then the aggregate of the bankers' deposited reserve be £ 5,000,000, £ 3,000,000 of it will be lent by the banking department, and £ 2,000,000 will be kept in the till. In consequence, that £ 2,000,000 is all which is really held in actual cash as against the liabilities of the depositing banks. If Lombard street were on a sudden thrown into liquidation, and made to pay as much as it could on the spot, that £ 2,000,000 would be all which the BANK OF ENGLAND could pay to the depositing banks, and consequently all besides the small cash in the till, which those banks could on a sudden pay to the persons who have deposited with them.

We see then that the banking reserve of the BANK OF ENGLAND—some £ 10,000,000 on an average of years now, and formerly much less—is all which is held against the liabilities of Lombard street; and if that were all, we might well be amazed at the immense development of our credit system—in plain English, at the immense amount of our debts payable on demand, and the smallness of the sum of actual money which we keep to pay them if demanded. But there is more to come. Lombard street is not only a place requiring to keep a reserve, it is itself a place where reserves are kept. All country bankers keep their reserve in London. They only retain in each country town the minimum of cash necessary to the transaction of the current business of that country town. Long experience has told them to a nicety how much this is, and they do not waste capital and lose profit by keeping more idle. They send the money to London, invest a part of it in securities, and keep the rest with the London bankers and the bill brokers. The habit of Scotch and Irish bankers is much the same. All their spare money is in London, and is invested as all other London money now is; and, therefore, the

reserve in the banking department of the BANK OF ENGLAND is the banking reserve not only of the BANK OF ENGLAND, but of all London—and not only of all London, but of all ENGLAND, IRELAND, and SCOTLAND too.

Of late there has been a still further increase in our liabilities. Since the Franco-German war, we may be said to keep the European reserve also. Deposit banking is indeed so small on the continent, that no large reserve may be held on account of it. A reserve of the same sort which is needed in ENGLAND and SCOTLAND is not needed abroad. But all great communities have at times to pay large sums in cash, and of that cash a great store must be kept somewhere. Formerly there were two such stores in EUROPE, one was the BANK OF FRANCE, and the other the BANK OF ENGLAND. But since the suspension of specie payments by the BANK OF FRANCE, its use as a reservoir of specie is at an end. No one can draw a check on it and be sure of getting gold or silver for that check. Accordingly the whole liability for such international payments in cash is thrown on the BANK OF ENGLAND. No doubt foreigners cannot take from us *our own* money; they must send here "value" in some shape or other for all they take away. But they need not send "cash"; they may send good bills and discount them in Lombard street, and take away any part of the produce, or all the produce, in bullion. It is only putting the same point in other words to say that all exchange operations are centering more and more in London. Formerly, for many purposes, Paris was a European settling house, but now it has ceased to be so. The note of the BANK OF FRANCE has not indeed been depreciated enough to disorder ordinary transactions. But any depreciation, however small—even the liability to depreciation without its reality—is enough to disorder exchange transactions. They are calculated to such an extremity of fineness that the change of a decimal may be fatal, and may turn a profit into a loss. Accordingly London has become the sole great settling house of exchange transactions in EUROPE, instead of being formerly one of two. And this pre-eminence London will probably maintain, for it is a natural pre-eminence. The number of mercantile bills drawn upon London incalculably surpasses those drawn on any other European city; London is the place which receives more than any other place, and pays more than any other place, and therefore it is the natural "clearing house." The pre-eminence of Paris partly arose from the distribution of political power, which is already disturbed; but that of London depends on the regular course of commerce, which is singularly stable and hard to change.

Now that London is the clearing house to foreign countries, London has a new liability to foreign countries. At whatever place many people have to make payments, at that place those people must keep money. A large deposit of foreign money in London is now necessary for the business of the world. During the immense payments from FRANCE to GERMANY, the sum *in transitu*—the sum in London has been unusually large. But it will ordinarily be very

great. The present political circumstances no doubt will soon change. We shall soon hold in Lombard street far less of the money of foreign governments; but we shall hold more and more of the money of private persons; for the deposit at a clearing house necessary to settle the balance of commerce must tend to increase as that commerce itself increases.

And this foreign deposit is evidently of a delicate and peculiar nature. It depends on the good opinion of foreigners, and that opinion may diminish or may change into a bad opinion. After the panic of 1866, especially after the suspension of Peel's Act (which many foreigners confound with a suspension of cash payments), a large amount of foreign money was withdrawn from London. And we may reasonably presume that in proportion as we augment the deposits of cash by foreigners in London, we augment both the chances and the disasters of a "run" upon ENGLAND.

And if that run should happen, the bullion to meet it must be taken from the bank. There is no other large store in the country. The great exchange dealers may have a little for their own purposes, but they have no store worth mentioning in comparison with this. If a foreign creditor is so kind as to wait his time and buy the bullion as it comes into the country, he may be paid without troubling the bank or distressing the money market. The German government has recently been so kind; it was in no respect afraid. But a creditor who takes fright will not wait, and if he wants bullion in a hurry he must come to the BANK OF ENGLAND.

In consequence, all our credit system depends on the BANK OF ENGLAND for its security. On the wisdom of the directors of that one joint-stock company, it depends whether ENGLAND *shall be solvent or insolvent.* This may seem too strong, but it is not. All banks depend on the BANK OF ENGLAND, and all merchants depend on some banker. If a merchant have £10,000 at his banker's, and want to pay it to some one in GERMANY, he will not be able to pay it unless his banker can pay him, and the banker will not be able to pay if the BANK OF ENGLAND should be in difficulties and cannot produce his "reserve."

The directors of the bank are, therefore, in fact, if not in name, trustees for the public, to keep a banking reserve on their behalf; and it would naturally be expected either that they distinctly recognized this duty and engaged to perform it, or that their own self-interest was so strong in the matter that no engagement was needed. But so far from there being a distinct undertaking on the part of the bank directors to perform this duty, many of them would scarcely acknowledge it, and some altogether deny it. Mr. HANKEY, one of the most careful and most experienced of them, says in his book on the BANK OF ENGLAND—the best account of the practice and working of the bank which anywhere exists—"I do not intend here to enter at any length on the subject of the general management of the bank, meaning the banking department, as the principle upon which the business is conducted does not differ, as far as I am aware, from that of

any well-conducted bank in London." But, as anyone can see by the published figures, the banking department of the BANK OF ENGLAND keeps as a great reserve in bank notes and coin, between thirty and fifty per cent. of its liabilities, and the other banks only keep in bank notes and coin the bare minimum they need to open shop with. And such a constant difference indicates, I conceive, that the two are *not* managed on the same principle.

The practice of the bank has, as we all know, been much and greatly improved. They do not now manage like the other banks in Lombard street. They keep an altogether different kind and quantity of reserve; but though the practice is mended the theory is not. There has never been a distinct resolution passed by the directors of the BANK OF ENGLAND, and communicated by them to the public, stating, even in the most general manner, how much reserve they mean to keep or how much they do not mean, or by what principle in this important matter they will be guided.

The position of the bank directors is indeed most singular. On the one side a great city opinion—a great national opinion, I may say, for the nation has learned much from many panics—requires the directors to keep a large reserve. The newspapers, on behalf of the nation, are always warning the directors to keep it, and watching that they do keep it; but, on the other hand, another less visible but equally constant pressure pushes the directors in exactly the reverse way, and inclines them to diminish the reserve.

This is the natural desire of all directors to make a good dividend for their shareholders. The more money lying idle the less, *cæteris paribus*, is the dividend; the less money lying idle the greater is the dividend. And at almost every meeting of the proprietors of the BANK OF ENGLAND there is a conversation on this subject. Some proprietor says he does not see why so much money is kept idle, and hints that the dividend ought to be more.

Indeed, it cannot be wondered at that the bank proprietors do not quite like their position. Theirs is the oldest bank in the city, but their profits do not increase, while those of other banks most rapidly increase. In 1844 the dividend on the stock of the BANK OF ENGLAND was seven per cent., and the price of the stock itself 212; the dividend now is nine per cent., and the price of the stock 232. But in the same time the shares of the LONDON AND WESTMINSTER BANK, in spite of an addition of 100 per cent. to the capital, have risen from twenty-seven to sixty-six, and the dividend from six per cent. to twenty per cent. That the bank proprietors should not like to see other companies getting richer than their company is only natural.

Some part of the lowness of the bank dividend, and of the consequent small value of bank stock, is undoubtedly caused by the magnitude of the bank capital; but much of it is also due to the great amount of unproductive cash—of cash which yields no interest—that the banking department of the BANK OF ENGLAND keeps lying idle. If we compare the LONDON AND WESTMINSTER BANK—which is the

first of the joint-stock banks in the public estimation and known to be very cautiously and carefully managed—with the BANK OF ENGLAND, we shall see the difference at once. The LONDON AND WESTMINSTER has only thirteen per cent. of its liabilities lying idle. The banking department of the BANK OF ENGLAND has over forty per cent. So great a difference in the management must cause, and does cause, a great difference in the profits. Inevitably the shareholders of the BANK OF ENGLAND will dislike this great difference; more or less, they will always urge their directors to diminish (as far as possible) the unproductive reserve, and to augment as far as possible their own dividend.

In most banks there would be a wholesome dread restraining the desire of the shareholders to reduce the reserve; they would fear to impair the credit of the bank. But fortunately or unfortunately, no one has any fear about the BANK OF ENGLAND. The English world at least believes that it will not, almost that it *cannot* fail. Three times since 1844 the banking department has received assistance, and would have failed without it. In 1825, the entire concern almost suspended payment; in 1797, it actually did so. But still there is a faith in the bank, contrary to experience, and despising evidence. No doubt in every one of these years the condition of the bank, divided or undivided, was in a certain sense most sound; it could *ultimately* have paid all its creditors all it owed, and returned to its shareholders all their own capital. But ultimate payment is not what the creditors of a bank want; they want present, not postponed, payment; they want to be repaid according to agreement; the contract was that they should be paid on demand, and if they are not paid on demand they may be ruined. And that instant payment, in the years I speak of, the BANK OF ENGLAND certainly could not have made. But no one in London ever dreams of questioning the credit of the bank, and the bank never dreams that its own credit is in danger. Somehow everybody feels the bank is sure to come right. In 1797, when it had scarcely any money left, the Government said not only that it need not pay away what remained, but that it *must* not. The "effect of letters of license" to break Peel's Act has confirmed the popular conviction that the Government is close behind the bank, and will help it when wanted. Neither the bank nor the banking department have ever had an idea of being put "into liquidation;" most men would think as soon of "winding up" the English nation.

II. *Notes on Banking in* GREAT BRITAIN, IRELAND, SWEDEN, DENMARK, *and* HAMBURG. *By* R. H. I. PALGRAVE. *London*, 1873. *Octavo, pp.* 122.

The author takes a survey of the operations of the banks in ENGLAND, with copious remarks on the amount of bills in circulation, both inland and foreign, in GREAT BRITAIN and IRELAND, and on the existing banking system of SWEDEN. The bank circulation of SWEDEN is represented to be equal to £ 4,800,000, or about $ 23,300,000, or nearly $ 5.50 per capita. The bank note circulation of the UNITED KINGDOM is forty-three millions sterling, or about seven dollars per capita.

III. *Essays on Political Economy, theoretical and applied. By* J. E. CAIRNS, M. A., *Emeritus Professor of Political Economy in University College. London*, 1873.

These essays were originally published during the past fourteen years in various English periodicals. His first essay is on the gold question. According to the *British Quarterly Review:*

In this the conclusions and conjectures, with regard to the effect of the enormous supply of gold from AUSTRALIA and CALIFORNIA, are shown to be correct and justified by subsequent events. If not absolutely verified, this has been due to modifying causes which could not be foreseen, and which would have had a still greater effect but for this vast influx of gold. The author holds that this large production of gold, while it has necessitated the absorption and use of more current coin, and has had a vast effect on nations, even those the most remote from the fountain of gold whose current sets towards them, and has modified the relative position not only of debtor and creditor, but also of the different classes of various employments, yet it has had no desirable result on the world at large as distinguished from the communities occupying the localities where it is found. Society has had forced upon it a revolution destitute of any real utility. He maintains that gold has suffered great depreciation; and that notwithstanding the readiness with which it is obtained, it will probably be subject to further depreciation in value.

On the other hand, we cannot but think that the author has failed to keep before him the clear distinction between the temporary and the permanent effects of the discovery and influx of gold—between the effect of the current while it flows, and that of the level of the flood when at its full. This confusion manifests itself more especially when the author speaks of the "local value of gold," Now, without denying that gold has a slightly differential local value in different countries, when, for instance, it is said that gold once fell in Australia to half its value because men would not work at five shillings a day inasmuch as they could dig ten shillings worth of gold in the immediate neighborhood, we think this indicates an error in thought. The author thus measures two elastic standards against one another, and deliberately chooses the most elastic as his criterion. If instead of gold there had been a discovery of any other widely-demanded and easily-transported material, which remunerated those who worked it in like proportion, the effect would have been the same, though the value of gold would have been in no way affected.

IV. *Economic Sophisms, by* FREDERIC BASTIAT. *Octavo, pp.* 236. *Edinburgh*, 1873.

This volume is translated from the fifth edition of the French, by PATRICK JAMES STIRLING, LL.D., F. R. S. E., author of "The Philosophy of Trade." The object of the author is to refute what he terms the fallacies of the Protectionist school, then predominant in France. According to Mr. COBDEN, "the sallies of wit and humor in this work make it as amusing as a novel."

V. *Life and Labors of* Mr. THOMAS BRASSEY, *from* 1805 *to* 1870. *By* Sir ARTHUR HELPS, K. C. B. *Pp.* 386. *London,* 1873.

This is an account of one of the most extraordinary men of the present century. Between the years 1834 and 1870 he was a contractor (in whole or in part) for the construction of one hundred and seventy public works of an extensive character; including railroads in ENGLAND, FRANCE, BELGIUM, ITALY, SPAIN, WALES, SCOTLAND NORWAY, NETHERLANDS, AUSTRIA, BRITISH INDIA, SARDINIA, JUTLAND, QUEENSLAND, RUSSIA, CANADA; together with the great improvements known as the Birkenhead docks; the Hauenstein tunnel; the Bellegarde tunnel; Calcutta works; Thames embankment; Callao docks. Among the prominent railways constructed under his contracts, some of them by personal supervision, were the following: Paris and Rouen Railway, 82 miles; Orleans and Bordeaux Railway, 294 miles; Caledonian Railway, 125 miles; Grand Trunk, of Canada, 539 miles; Maremma & Leghorn Railway, 138 miles; Jutland Railway, 270 miles; Meridionale Railway, 160 miles; Central Argentine, 247 miles; Lemberg-Czernowitz (Moldavia), 165 miles; Delhi Railway, 304 miles; Warsaw and Terespol, 128 miles; Kronprinz-Rudolfsban Railway, 272 miles; Suczawa and Jassy Railway, 135 miles. In this long period and in the completion of these vast works, Mr. BRASSEY laid out seventy-eight millions sterling of other people's money. There were times when he and his partners were giving employment to eighty thousand persons, upon works requiring seventeen millions sterling for their completion.

Is it at all surprising that, with these vast undertakings, his Herculean body and mind should succumb to the modern destroyer known as PARALYSIS? Indeed, is it not wonderful that he could for a long series of years supervise so many of the great railways of four quarters of the globe? MR. BRASSEY neglected the lesson taught us that there is a limit to the workings of the human frame—a lesson sadly neglected by contractors in Wall street and elsewhere. Of the more recent proposition that the Government should assume the control of the railways, Sir ROBERT PEEL said, "he had not at his command sufficient power (official) to institute a control over these undertakings." Of this important question the author says:

The questions concerning railway management will gradually force themselves upon the consideration of the public; and it is noticeable that already many thoughtful persons have come to the conclusion that all railways should belong to the State, and be under one central control. This, however, is a very serious conclusion; for, unless Government is stronger than it appears likely to be in our time, it will hardly have power to make head against the criticism and the odium to which it will be subjected immediately upon its having the management of such a vast and complicated concern as the railway traffic of this country. There is not any subject of social interest which requires more thought than this question of absorbing into the functions of Government the whole of our railway system. What-

ever has been done in a similar direction—as, for instance, the transmission of letters by the Post Office, and, in our time, the taking over of the Electric Telegraph systems by Government—are comparatively small matters when put side by side with the question of the Government undertaking to manage all the railway traffic of the country.

VI. *The Science of the Exchanges, by* N. A. NICHOLSON, M. A., *of Trinity College, Oxford.* 8vo., *pp.* 216. *London,* 1873.

Mr. NICHOLSON divides his work into nine chapters, viz.: Value; Labor; Buying and Selling; Currency; Gold; Foreign Exchanges; Depreciation of the Currency; Land; Taxation. Upon the subject of Taxation the author properly says:

We should tax heavily any commodities which are not absolutely necessary for the health and welfare of the people, but which they are in the habit of consuming, such as tobacco, gin, whiskey, brandy, etc.; but we should tax as lightly as possible such commodities as wine, beer, tea, coffee, sugar, etc., for these commodities are directly conducive to the health and welfare of the people.

VII. *Kulu and the Silver Country of the Vazeers, by* J. CALVERT, F. G. S. *London,* 1873.

According to the Westminster Review:

Mr. CALVERT has long been concerned to demonstrate to the incredulous the mineral wealth of INDIA. While deploring the ill-fate of some explorers who have mistaken iron pyrites for gold, he wishes to incite the adventurous to make expeditions from Simla or Jullundur to Kulu, either for the pleasure of hunting or mere traveling in the splendid scenery of the Lower Himalaya, or for the more remunerative purpose of "prospecting" for the mines of untold wealth, the existence of which he has now so thoroughly demonstrated that a company is being formed to work them. He tells of a slip on the mountain side which made him grasp at a tree, the roots of which gave way and displayed a lode of silver-bearing lead; of veins of antimony and bismuth; of copper mines visible from far by the discoloration of the mountain sides, and which crop up to the surface constantly. Sapphires and other precious gems are abundant for those who know how to seek them. For having made these discoveries, Mr. CALVERT is entitled to the gratitude of the owners of so rich a land; but he is doubly entitled to it because he held his faith, and made his investigations, in spite of the perversest officialism, which protested that there was nothing there, and gave him no encouragement to go and see. Many mines have long ago been planted over to conceal them from the Sikhs, but few have passed out of mind, or at least out of tradition, and many have never been discovered yet.

VIII. *Politics and Mysteries of Life Insurance, by* ELIZUR WRIGHT. 12*mo., pp.* 238. *Boston,* 1873. *Price,* $ 1.50.

Mr. WRIGHT has had the experience of forty years as an actuary. This has enabled him to form theories and to test their value and applicability in the progress of life insurance from an incipient state to one involving the care and future distribution of nearly two hundred millions of dollars. He divides his work into ten chapters, viz.: 1. Magnitude of the business; 2. The non-forfeiture law; 3. Surrender charge; 4. Savings bank life insurance; 5. Reduction of rates; 6. Black and White mail; 7. Insurance agents, suggestions to; 8. Rates of premium; 9. Premium notes, liens, dividends; 10. The Money Question.

Mr. WRIGHT'S volume will be found valuable to all persons engaged in the life insurance business, as well as to many thousands who are interested either as capitalists or agents, and to every one who holds a policy of life insurance.

IX. *Coin Map of the World; a Key to the Prices of the World. Exhibition at Vienna.*

This little map shows at a glance the gold producing and the silver producing regions of the world, with the various countries where the gold dollar, the silver dollar, the pound sterling and the franc severally prevail; with the names of the principal coins used in each country. Vienna, 1873. Price, $ 1.

X. *Tables of Exchange between England, France, Belgium, and Italy. Converting Sterling into Francs, and Francs into Sterling; each by sixty-three different rates of Exchange from Francs* 24.95 *Centimes to Francs* 26.50 *Centimes per Pound Sterling, by* M. COHN. *London:* EFFINGHAM WILSON, *Royal Exchange.* 1872.

XI. *National Finance and Currency. The Bank Acts of* 1797, 1819, *and* 1844. *With the Operation of Gain or Loss of Gold, and Panics in Peace and War, by* EDWARD NORTON. *Third Edition. London:* LONGMANS, GREEN & CO. 1873.

XII. *The Financial Register and Stock Exchange Manual. Statistical and Historical Year-Book, showing the Capital, Dividends, and Prices of the Public Funds, Colonial and Foreign Debts, of Banking, Insurance, Mining, Railway, Telegraph, Water and Gas, and other British and Foreign Joint-Stock Companies, for the Year* 1873. *First Annual Publication. London:* STUBBS & CO., 12 *Gresham street, E. C.* 1873.

XIII. *The Joint-Stock Manual: a Handybook of the Practice of the Joint-Stock Companies' Registration Office, containing full and detailed Instructions for obtaining Incorporation under the Companies' Acts,* 1862 *and* 1867, *with complete Lists of all the Returns required by these Acts to be registered during the existence of a Company; together with numerous Specimen Forms and plain directions as to the way in which they should be filled up.*

GOVERNMENT EXPENDITURES AND REVENUE,
FOR THREE YEARS.

The following is a summary statement, having the sanction of official sources, though not of official signatures, of the receipts and expenditures of the government for the last three years:

NET RECEIPTS.

	One year to June 30, 1871.	One year to June 30, 1872.	One year to June 30, 1873.
From customs	$206,270,408	$216,370,286	$188,089,522
From internal revenue	143,098,153	130,642,177	113,729,314
From sales of public lands	2,388,646	2,575,714	2,882,312
From miscellaneous sources	31,566,736	24,518,688	29,037,055
Total receipts	$383,323,944	$374,106,867	$333,738,204

NET EXPENDITURES.

For premium on bonds	——	$6,958,266	$5,105,919
For civil & miscellan's purposes	$69,498,710	60,984,758	73,328,110
For War Department	*35,799,991	35,352,157	46,323,138
For Navy Department	19,432,027	21,249,809	37,311,131
For Indians and pensions	41,870,892	35,595,131	23,526,256
For interest on the public debt.	125,576,565	117,357,839	104,750,688
Total expenditures.	$292,177,188	$277,517,962	$290,345,245

The following is a statement of the principal of the public debt of the UNITED STATES on the first days of July during the past four years:

July 1, 1870	$2,480,672,427 81
July 1, 1871	2,353,211,332 11
July 1, 1872	2,253,251,328 78
July 1, 1873	2,234,482,993 20

The last statement is made without regard to the interest due and unpaid, or accrued, or cash in the Treasury at the dates named. By adding interest due and unpaid, and interest accrued, and deducting cash in the Treasury for the past two fiscal years, we have the following result:

Balance of obligations, July 1, 1872	$2,191,486,343 62
Balance of obligations, July 1, 1873	2,147,818,713 57
Net reduction during the fiscal year..	$43,667,630 05

The statement shows a reduction of the public debt for three years—from July 1, 1870, to July 1, 1873—of nearly two hundred and fifty millions of dollars. The net reduction during the last fiscal

* This is the net amount after deducting $8,280,093.13 repaid into the Treasury as proceeds of sales of ordnance, &c. The true expenditures were $44,080,084.95.

year has, however, been only $ 43,667,530, which is rather less than one-fifth of the whole reduction, as shown by the rough figures. But this, we assume, is because the net receipts of the year 1872 exceed those of the year 1873 by forty-one and a half millions, while the total expenditures of 1872 fall short of those of 1873 by thirteen millions. The causes of this falling off in receipts need not be specifically examined at present, further than to say that the tariff has furnished less by almost thirty millions than it did last year, and that the internal revenue department shows a falling off of almost seventeen millions. Five millions more of the income of 1873 than of that of 1872 are, however, credited to miscellaneous sources; but the showing, the whole, is not altogether encouraging, and suggests that it must have been really an inopportune year for the President to accept an increase of salary, to say nothing of Members of Congress. Our income has fallen off visibly and seriously; our expenditures have been as visibly and palpably increased. What the official explanation of the fact will be we all know; the party remedy will be an increase in the tariff; but the people, we trust, are growing less and less disposed to accept any other correction than greater economy in the government, and an honest administration of affairs in every department.

WRITERS' CRAMP.—Bank clerks will be interested in an article contained in the London *Practitioner* for July, on the affections of the muscles and nerves of the hands, known as "writers' cramp." The theory that the disease is caused by the electrical or magnetic property of the steel pens is denied, and apart from any argument on the subject, cases have been known where the writer used a gold pen with a German silver handle. The "steel pen disease," however, is believed to be caused by the greater effort of the muscles required in writing with a hard, stiff pen than with a quill. In brief, the muscles of the hand are overworked, and the reaction upon the nerves aggravates the disorder. A similar trouble is known among pianists. The composer, SCHUMANN, while endeavoring to strengthen one finger of his right hand, lost the use of it as a performer. Among the symptoms of the disease, the prevalence of contortions and unusual movements of the body is observed, similar to those in cases of persons not accustomed to writing. The condition of the nails is also remarkable, being thin and papery, prone to break and useless for many purposes. In the cases observed there was a distinct impairment of the power of the muscles, but the modes in which the weakness manifested itself were different. In most of these cases there was a feeling of fatigue, varying from a trifling annoyance to a severe pain, cramp-like contractions, sometimes extending to the muscles of the arm and forearm. The general health of persons afflicted with this disease is not good, the muscles being soft and flabby, and it is accompanied by loss of power to sleep soundly. From all of which we judge that the disease afflicts those who are otherwise in poor bodily health, and if the malady did not take the form known as "writers' cramp," it would show itself in sone other disease of the muscular tissues.

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. THE PERFORMANCE OF NOTARIAL FUNCTIONS BY A CASHIER. II. GUARANTY OF JUDGMENT NOTES. III. IRREGULARITY IN FORM OF ENDORSEMENT. IV. CHECKS PAYABLE TO BEARER. V. ENDORSEMENT TO ORDER. VI. GUARANTY OF ENDORSEMENTS. VII. CHECKS OR NOTES PAYABLE "IN COIN." VIII. DUPLICATE CERTIFICATES OF DEPOSIT. IX. DRAFTS PAYABLE "ONE DAY AFTER DATE," AS CHECKS.

I.—NOTARIAL FUNCTIONS BY A CASHIER.

——— SAVINGS BANK, MO., 1873.

To the Editor of the Banker's Magazine.

A. B. & Co. draw their three days' sight draft on C. D. & Co., payable to the order of E. F., Cashier. The draft has to be protested for non-acceptance. Can E. F., being a Notary Public, protest this draft, or must he give it to some other Notary?

——— Cashier.

Reply.

A notary public can protest legally a draft payable to himself as cashier. That such functions do not conflict was clearly shown in the case of the BANK OF SYRACUSE *v.* HOLLISTER, before the New York Court of Appeals. A note payable at the BANK OF UTICA, where the maker had no funds, was delivered, after business hours on the last day of grace, to the teller, who was also a notary, at his dwelling-house, for the purpose of demanding payment. He went to the bank, and being unable to obtain entrance demanded payment *of himself* at the bank door. *Held,* that it was a sufficient presentment to charge an endorser.

II.—GUARANTY OF JUDGMENT NOTE.

——— PA., 1873.

To the Editor of the Banker's Magazine.

Will you be kind enough to give me your decision in the following case: "A gives to B a *Judgment Note,* and for the purpose of negotiation, *B endorses it;* the note is not paid at maturity and goes to protest. Does the *protest* hold B?

——— Cashier.

Reply.

B is unquestionably held by the protest, as endorser or guarantor.

III.—Irregularity of Endorsement.

——— National Bank, Vermont, 1873.

To the Editor of the Banker's Magazine.

What kind of paper is a note given by one party to a second who endorses it, and *accepted, not endorsed*, by a third? Is such an acceptance equivalent to an endorsement?

"Inquirer."

Reply.

I. The irregularity of form in the indorsement by a third party does not change the character of the note, which was complete without his name.

II. If it was understood and agreed that his signature was to be for the purpose of guaranteeing payment, he could be held as an endorser, upon parol proof of such understanding before a court at law.

IV.—Checks Payable to Bearer.

——— Bank, ———, Ill.

To the Editors of the Banker's Magazine.

Can the character of a check drawn on a bank, payable to *bearer*, be changed by anything written by a third party on the back of the check?

Is the bank bound to recognize an endorsement of a third party directing the check to be paid to the order of a fourth party; or is the bank, having relations only with the drawer, bound to pay as he has ordered on the face of the check—to the bearer presenting it?

——— Cashier.

Boonville, Mo., 1873.

To the Editors of the Banker's Magazine.

If a check is payable to John Smith or *bearer*, but is endorsed on the *back* by him payable to John Jones or *order*, and the face not changed—does it become an *order* check by that endorsement? I hold that it is not the cashier's or teller's place to turn over a check to see what is on the back, if it is payable to bearer in the face, but an eminent lawyer differs with me and I appeal to you for your views, or to know if you have seen any laws bearing upon that particular point.

——— Cashier.

Reply.

If a check be paid to bearer, according to its tenor, all the requirements of the drawer have been fulfilled. The teller is not obliged to examine its back. But if his attention be called to such an endorsement as either of those mentioned, it is, we think, his duty to observe the instructions noted, as pointing to the party legally entitled to receive the money.

We do not find any legal decision on this particular point.

V.—Endorsement to Order.

——— National Bank, Iowa, 1873.

To the Editor of the Banker's Magazine:

Does a check payable to "John Smith, or order," differ substantially from one payable to "the order of John Smith?"

Would not a bank be justified in requiring an endorsement on either form?

——— Cashier.

Reply.

If a check payable to "John Smith, or order," be presented by him in person, and he refuse to endorse it, it is our opinion that the bank cannot under any law compel him to do so before payment to him. In the event of after dispute the bank must of course be able to prove that payment was made to the proper person, and for this the payee's endorsement is obviously the easiest as it is the usual means. But the law does not authorize a payor to insist upon a written receipt as a condition of payment. The burden of proof falls upon him.

In the case of a check payable "to the order of John Smith" the expressed conditions are not precisely the same, and are only complied with when the instrument is endorsed by payee.

VI.—The Guarantee of Endorsements.

——— Bank, St. Louis, 1873.

To the Editor of the Banker's Magazine:

Suppose a check or draft presented by one bank to another, payable to the order of John Smith, and endorsed "John Smith, per A. B.," or "John Smith, by T. Jones, Atty.," and also endorsed by the collecting bank; has the paying bank a right to demand a special guaranty of such endorsement? My understanding is that a subsequent endorsement, *per se*, guarantees the correctness of such signatures. Is it not so?

——— Cashier.

Reply.

Inasmuch as each endorser guarantees the genuineness of preceding indorsements, it seems reasonable to claim that he is also responsible for their correctness when made by an attorney or agent. But the rule with all prudent bankers is to require a guarantee in every instance where there is a point under doubt, and under that rule the above clearly comes.

Between banks having frequent exchanges a general guarantee can be given to cover all such cases, thus saving the trouble of a special guarantee on every one.

VII.—Checks or Notes Payable "in coin."

——— Texas, July, 1873.

To the Editor of the Banker's Magazine.

To decide a dispute will you please state whether checks or notes calling for *coin* can be paid in *silver*.

To what amount is silver a legal tender?

Does the word coin mean either silver or gold? J.

Reply.

By various acts of Congress the legal-tender values of the small silver coins (from fifty cents downward) were reduced below their face value.

The gold coins of the United States, without exception, are all a legal tender for their nominal or face values.

The silver coins of one dollar, being of full standard value, are legal tender for any and all sums.

The smaller silver coins are legal tender for sums as stated below:

Silver.		*Legal tender for*		*Date of Act.*
50 cents	..	$ 5.00	..	By Act of February 21, 1853.
25 "	..	5.00	..	" " "
10 "	..	5.00	..	" " "
5 "	..	5.00	..	" " "
3 "	..	30c.	..	By Act of March 3, 1851.

Nickel.		*Legal tender for*		*Date of Act.*
1 cent	..	10 cents	..	By Act of April 22, 1864.
2 cents	..	20 "	..	" " "
3 "	..	60 "	..	By Act of March 3, 1865.
5 "	..	100 "	..	By Act of May 16, 1866.

Payment "in coin" means, therefore, in gold coin or in silver dollars.

VIII.—Duplicate Certificates of Deposit.

——— Savings Bank, Mo., 1873.

To the Editors of the Banker's Magazine.

A party holding a certificate of deposit on this bank loses it—asserts that it was burnt up by mistake. We have heretofore required bond of indemnity before issuing duplicate or paying money in such cases. This party is unable to give good bond; will a receipt against the certificate protect the bank in any contingency?

——— Assistant Cashier.

Reply.

A duplicate certificate of deposit cannot be issued with safety unless on a sufficient bond of indemnity. The receipt of payee would be a valid offset if the original certificate were presented *by him.* But if instead of being destroyed, as asserted, the certificate has been transferred to an innocent holder, who took it *bona fide* and without notice, the bank must pay it notwithstanding the receipt. A bond is therefore indispensable.

IX.—Drafts payable one day after date in lieu of Checks.

——— National Bank, Kansas, 1873.

To the Editor of the Banker's Magazine.

Can a draft drawn "one day after date without grace" be legally protested if presented two or more days after date and refused? If not, how are endorsers to be held on such paper?

Reply.

"Bills or notes, when payable at a time certain, must be presented on the *very day they fall due.*" A draft such as described can only be taken with safety when both drawer and drawee are of unquestionable standing.

Such drafts are sometimes drawn in lieu of ordinary checks, for the purpose of saving the two-cent revenue stamp. No respectable banker should stoop to so pitiful an evasion, and those to whom are offered bills so drawn, should decline to receive them, unless on the special guaranty of a responsible customer.

Exports of Great Britain.—The annual returns of the exports of Great Britain have been made up in that most attractive of forms which shows the countries to which goods are sent and the amounts. The total value of all exports for 1872 was £ 255,961,609; of which £ 60,566,604 represented the value of exports to British possessions, and £ 195,395,005 that to foreign countries. The total for 1871 was £ 223,066,193, including £ 51,250,213 to British possessions, and £ 171,815,949 to foreign countries. There are twenty-three colonies in the list, and in all but four there was an increase. Great Britain sent goods to fifty-seven foreign countries, and there was an increase in all but fifteen of them, France being the only important one of these exceptions. The increase in prices is, of course, the chief explanation of the very satisfactory exhibit made by these returns. Of the colonial possessions India is England's best customer, taking nearly eighteen and a half millions sterling. Australia is second, with fourteen millions. The North American colonies third, with ten and a quarter millions. The United States stands far ahead of all other countries, however. In 1872 we took nearly forty and three quarter millions' worth of English goods; Germany standing second, with thirty-one millions; and France third, with seventeen and a quarter millions.

SPECULATION IN ENGLAND.

The cheapness of money, added to the large accumulations of capital, serve to encourage speculation in mining, banking, etc.

The following summary of the registrations which have taken place during the seven completed months of this year, compared with those of the corresponding period last year, exhibits an increase of 87 in the number of companies, and of £13,704,056 in the nominal capital, in favor of this year over last, being an increase of 15 per cent. in the number of companies, and 18 per cent. in the amount of the nominal capital:

	1872. No. of Cos.	1872. Nom. Cap.	1873. No. of Cos.	1873. Nom. Cap.
January	85	£ 8,463,600	89	£ 9,808,910
February	74	8,558,100	76	9,777,280
March	74	6,850,500	113	23,492,100
April	73	5,948,300	116	14,318,900
May	98	16,670,225	96	7,586,790
June	89	21,199,754	75	10,715,955
July	82	8,958,100	97	14,652,700
Total	575	£ 76,648,579	662	£ 90,352,635

The following is an analysis of the July companies, arranged in groups according to their capitals:

			Companies.
Under £ 5,000			13
Above £ 5,000	not exceeding	£ 10,000	12
" 10,000	"	25,000	22
" 25,000	"	50,000	21
" 50,000	"	100,000	12
" 100,000	"	250,000	10
" 250,000	"	500,000	2
" 500,000	"	1,000,000	1
" 1,000,000			4
Total, July, 1873			97

With regard to capital, there are, in July, 1873, no less than four companies with a nominal capital exceeding £ 1,000,000, besides another of just that amount. The two largest are telegraph companies, one being the Globe Telegraph and Trust (£ 3,000,000), the great amalgamation scheme for the consolidation of telegraphic property, and the other the Spanish and Cuban Submarine Telegraph (£ 2,500,000). Other large companies are the Governments' Securities Debenture (£ 2,000,000), the Neuchatel Asphalte (£ 1,150,000), and the Licensed Victuallers' Co-operative Finance Association (£ 1,000,000).

THE PAYMENT OF THE GENEVA AWARD.

On the 9th of September the amount awarded by the Geneva Arbitration was paid over at Washington to the UNITED STATES, as described below:

The banking firms of DREXEL, MORGAN & Co., MORTON, BLISS & Co., and JAY COOKE & Co. made a contract with the British Government to pay this award on or before the 10th of September, in accordance with the terms of the Treaty of Washington, and notified the Secretary of the Treasury to that effect. In view of this intimation, and in accordance with the law of Congress, the Secretary of the Treasury announced that he would pay off $ 20,000,000 of the five-twenty bonds, that he might be prepared to invest the money derived from the award in the new five-per-cent. registered bonds, which could be used when the above named were redeemed. The call was made for $ 20,000,000—$ 4,500,000 more than the amount of the award—in order that at least $ 15,500,000 might be in the hands of the Secretary by the time the award fell due, it being deemed advisable by him to leave this surplus of $ 4,500,000 to render it certain he would have the desired amount.

The contracting bankers from time to time bought exchange, which they deposited in comparatively small amounts, and received coin certificates for such deposits. They also purchased bonds maturing September 6, and having thus obtained the $ 15,500,000, they surrendered, on September 9, all their certificates of deposit, obtaining from the Secretary of the Treasury in lieu thereof a single one covering the entire amount, which is in the following words and figures:

Act of March 3, 1873.—It is hereby certified that $ 15,500,000 have been deposited with the Treasurer of the UNITED STATES, payable in gold at his office to DREXEL, MORGAN & Co.; MORTON, BLISS & Co.; JAY COOKE & Co., or their order. Washington, September 9, 1873. JOHN ALLISON, Register of the Treasury. F. E. SPINNER, Treasurer of the UNITED STATES. WILLIAM A. RICHARDSON, Secretary of the Treasury.

The certificate has the figures $ 15,500,000 in the upper right and left hand corners, and is numbered about the centre on each side with the figure one. This the bankers indorsed payable to the joint order of Her Britannic Majesty's Minister or Chargé d'Affaires and Consul-General at New York, in settlement of their contract with the British Government. Sir EDWARD THORNTON, in company with Consul-General ARCHIBALD, having received it at the Treasury Department on the 9th through the bankers, proceeded to the State Department,

and having endorsed it, handed the certificate to Secretary FISH, who gave them the following receipt:

The undersigned, HAMILTON FISH, Secretary of State of the UNITED STATES OF AMERICA, hereby declares that he has this day received from the Right Honorable Sir EDWARD THORNTON, her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary, and from EDWARD MORTIMER ARCHIBALD, Esq., her Britannic Majesty's Consul-General at New York, agents of her Majesty's Government in this behalf, the sum of $ 15,500,000 in gold coin, being the whole amount of the gross sum awarded on the 14th of September, 1872, by the Tribunal of Arbitration then sitting at Geneva, in accordance with the provisions of the seventh article of the Treaty of May 8, 1871, between the said UNITED STATES and her Britannic Majesty.

In witness whereof the aforesaid HAMILTON FISH, Secretary of State of the UNITED STATES OF AMERICA, has subscribed his name to this receipt in duplicate at Washington, this 9th of September, in the year of our Lord 1873.

HAMILTON FISH, Secretary of State.

The Secretary of State, on receiving the certificate, proceeded, in company with Assistant Secretary BANCROFT DAVIS, to the Treasury Department, and called upon Secretary RICHARDSON, with the request that the amount be invested in the new five-per-cent. bonds of the Funded Loan, under the Act of Congress. The Secretary of the Treasury accordingly directed that a bond for $ 15,500,000 be issued, which was done. It is in the words and figures following:

Funded Loan of 1881. Washington, May 1, 1871. The UNITED STATES of AMERICA are indebted to Hon. HAMILTON FISH, Secretary of State, in trust, to be held subject to the future disposition of Congress, as provided in the Act approved March 3, 1873, chapter CCLXI, in the sum of Fifteen Million Five Hundred Thousand Dollars. This bond is issued in accordance with the provisions of an Act of Congress entitled an act to authorize the refunding of the National Debt, approved July 14, 1870, amended by an Act approved June 20, 1871, and is redeemable, at the pleasure of the UNITED STATES, after the 1st day of May, A. D., 1881, in coin of the standard value of the UNITED STATES on said July 14, 1870, with interest in such coin from the day of the date hereof, at the rate of five per centum per annum, payable quarterly, on the first day of February, May, August and November in each year. The principal and interest are exempt from the payment of all taxes or duties of the UNITED STATES, as well as from taxation in any form by or under any State, municipal or local authority. Transferable on the books of this office. (Signed,)

JOHN ALLISON, Register of the Treasury.

In the lower left hand corner appear the words, "Entered, G. L. W. Recorded, J. H. J." Around the margin of the bond the amount in figures appears frequently. On the face is a representation

of the coat of arms of the UNITED STATES, and upon either side of this a scroll, the one on the right being encircled by the words "Principal and interest payable in coin at the Treasury of the UNITED STATES," and that on the left encircled by the words "Interest five per cent. per annum." Across the face is written, "Approved, WILLIAM A. RICHARDSON, Secretary of the Treasury." On the back of the bond is the usual blank assignment for the payee, assignee, and verification in the same words as on all the registered bonds. The bond was skillfully printed with a pen, being a fac simile of the printed form, and is the work of Mr. E. B. MAGROTY, a clerk in the loan branch of the Treasury. Upon being duly executed it was photographed and then sent to Secretary FISH, who is its present custodian. The certificate of deposit was, of course, retained by the Secretary of the Treasury when the bond was issued. It will be framed and preserved among the archives of the Government as a memorial of the amicable settlement of the difference between the two countries without resort to arms.

In this settlement the only transaction the Secretary of the Treasury has had with the banks was to receive their certificates of deposit and issue in lieu thereof one for the whole amount. The bankers received nothing from the Treasury as compensation for the negotiation, the expense having been paid by the British Government.

KENTUCKY.—AN IMPORTANT DECISION.—Hon. BLAND BALLARD, Judge of the District Court, has recently affirmed the opinion of Mr. WARNER UNDERWOOD, register, in the several "special deposit" cases, against the BANK OF BOWLING GREEN, KY., in bankruptcy, growing out of the thefts and other malfeasance in office of the cashier, CALVERT.

The amount involved was about $ 150,000, and the facts of the case presented many new and interesting questions—questions of vast importance to commercial circles.

There were three classes of cases:—

First—Special deposits stolen by the cashier and converted to his own use.

Second—Contracts made by the cashier with individuals for an exchange of their bonds for other stocks and securities.

Third—Special deposits stolen by the cashier and converted to the use and benefit of the bank.

The opinion holds that, for the loss of the first class, the bank is not responsible, the act of theft not being an act done in the course of the agency of the cashier and negligence proven not being proximate to the cause of the loss.

That for the second the bank is not liable, it having no interest in the subject matter of the contracts, and neither received nor has to receive any consideration. But that for the third class the bank was liable—it having received the benefits of the conversion by its agent—the proceeds of the bonds having passed to its credit on the books of its correspondents.

This ruling defeats the claims of a large number of creditors of the bank, but is in favor of Mr. J. J. CLAYPOOL, of Bowling Green, in the sum of about $ 17,000, and of the Society of Shakers at South Union, in the sum of $35,734.21.

The cases were attended to on both sides by some of the ablest counsel in the State, and are regarded by the profession as establishing an important precedent in our jurisprudence.—*Louisville Courier-Journal.*

BANKING AND FINANCIAL ITEMS.

THE FINANCIAL PANIC IN NEW YORK.—On Saturday, September 13th, Wall Street was startled by the failure of Messrs. KENYON, COX & CO., bankers. This house was regarded as among the strongest, but having made large advances to the Canada Southern Railroad Co., was unable to meet its engagements. A decline in the price of stocks followed and much uneasiness ensued, which was heightened on Wednesday, 17th, by the announcement that the paper of the New York, Oswego and Midland Railroad Co. had gone to protest.

On Thursday morning, 18th, rumors were rife unfavorable to many houses, but when it was reported that the well-known firm of JAY COOKE & CO. had suspended the excitement became intense. At first this was not believed, but at noon a formal notice confirming it was read at the Gold Room. The branches of the house at Philadelphia and Washington were also closed. The cause assigned is their large investments in railroad bonds, particularly those of the Northern Pacific, and a heavy withdrawal of deposits from their Philadelphia house. The suspensions of the FIRST NATIONAL BANK of Washington, and of Messrs. E. W. CLARK & CO., Philadelphia, were also announced, and of one or two minor New York houses. A rapid fall in stocks took place and panic appeared imminent.

On Friday, 19th, matters became still worse. The suspension of FISK & HATCH was the crowning excitement, and in the vicinity of the STOCK EXCHANGE, people seemed to have taken leave of their senses. The other failures of the day were: WHITE, DE FREITAS & RATHBORNE, BEERS & EDWARD, E. J. JACKSON, THOS. READ & CO., W. H. WARREN, GREENLEAF, NORRIS & CO., GEO. B. ALLEY, THEO. BERDELL, A. M. KIDDER, HAY & WARNER, DAY & MORSE, FITCH & CO., E. D. RANDOLPH & CO., JACOB LITTLE & CO., VERNAM & HOY.

On Saturday, 20th, the storm was at its height. The wildest apprehensions were entertained. The suspensions of the day were the NATIONAL BANK OF THE COMMONWEALTH, the UNION TRUST COMPANY, the NATIONAL TRUST COMPANY, EDWARD HAIGHT & CO., and others whose names appear elsewhere. At noon the STOCK EXCHANGE was closed until further notice, and sales of stocks were prohibited under penalty of expulsion. Financial business was at a complete dead-lock. In the afternoon a meeting of the Bank Presidents was held at the BANK OF COMMERCE.

The Committee appointed at a meeting held on Friday, consisting of Messrs. LEVERICH, TAPPEN, VAIL, JENKINS, and BRYAN, who had been instructed to devise some plan for measures of relief in the present emergency, made the following report:

The Committee respectfully report that they met at the GALLATIN NATIONAL BANK, and after an exhaustive examination and discussion of the important subjects committed to them, have agreed to submit to the Association the following plan:

That in order to enable the banks of the Association to afford additional assistance to the financial community, and also for the purpose of facilitating the settlement of the exchanges between the banks, it is proposed,

That any bank in the Clearing House Association may at its option deposit with a committee of five persons, to be appointed for that purpose, an amount of bills receivable or other securities to be approved by said committee, who shall be authorized to issue thereupon to said depositing bank certificates of deposit bearing interest at seven per cent. per annum, in denominations of $5,000 and $10,000, such as may be desired, to an amount not in excess of seventy-five per cent. of the securities in bills receivable so deposited.

Except that when the securities deposited shall consist of either UNITED STATES stock or gold certificates, the certificates of deposit may be issued upon the par value of such securities.

These certificates may be used in settlement of balances at the Clearing House for a period not to extend beyond the first of November proximo, and they shall be received by creditor banks during that period daily in the same proportion as they bear to the aggregate amount of the debtor balance paid at the Clearing House.

The interest which may accrue upon these certificates shall, on the 1st of November next, or sooner should the certificates be all redeemed, be refunded and apportioned among the banks which shall have held them during that time.

The securities deposited with the Committee, as above named, shall be held by them as a special deposit, pledged for the redemption of the certificates issued thereon.

The Committee shall be authorized to exchange any portion of said securities for an equal amount of others, to be approved by them, at the request of the depositing bank, and shall have power to demand additional security, either by an exchange or an increased amount at their discretion.

The amount of certificates which this Committee may issue, as above, shall not exceed $ 10,000,000.

The banks shall report to the manager of the Clearing House every morning at 10 A. M. the amount of certificates issued by them.

This arrangement shall be binding upon the Clearing House Association, when assented to by three-fourths of its members.

That in order to accomplish the purposes set forth in this agreement, the legal tender belonging to the associated banks shall be considered and treated as a common fund, held for mutual aid and protection, and the committee appointed shall have power to equalize the same by assessment or otherwise, at their discretion.

For this purpose a statement shall be made to the Committee of the condition of such bank on the morning of every day before the commencement of business, which shall be sent with the exchanges to the manager of the Clearing House, specifying the following items:

1. Loans and discounts. 2. Amount of loan certificates. 3. Amount of United States certificates of deposit and legal-tender notes. 4. Amount of deposit, deducting therefrom the amount of special gold deposits.

That the bank to which loan certificates may be issued be charged, in addition to seven per cent. interest, one-quarter of one per cent., to defray the expenses consequent upon carrying out this plan.

F. D. TAPPEN,
President of Clearing House.

The resolutions were unanimously agreed to, and it was determined to issue at once $ 10,000,000 in loan certificates. The Chairman appointed the following gentlemen a committee to devise proper means for carrying out the measures of relief contemplated in the resolutions:

F. D. TAPPEN, GALLATIN NATIONAL BANK; MOSES TAYLOR, CITY NATIONAL; GEORGE S. COE, AMERICAN EXCHANGE NATIONAL; CHARLES P. LEVERICH, BANK OF NEW YORK; CHARLES F. HUNTER, PEOPLE'S BANK.

This measure of relief, together with the announcement that the Government was ready to purchase ten millions of bonds, and more if necessary for the good of the community, proved effective in allaying unreasonable fears and in restoring confidence. On Monday the worst was apparently over.

The excitement in the speculative shares during this panic was without a parallel in the recollection of the oldest *habitue* of the Exchange. Stocks were sacrificed at times without regard to price, and the fluctuations were correspond-

ingly wild. The most remarkable variations were in Harlem, which opened on Friday at 120, declined to 90, and recovered finally to 100.

The following table, showing the highest and lowest quotations for the 19th, is worthy of record:

	Opening.	*Highest.*	*Lowest.*	*Closing.*
N. Y. Central and Hudson	95	96	91	93½
Harlem	120	120	90	106
Erie	53⅝	55	52⅛	54⅝
Lake Shore	87	88¼	83	86½
Wabash	45	46⅛	38½	45
Northwestern	48	48¾	40⅛	46
Northwestern, preferred	73	73	70	73
Rock Island	97	97½	88	91½
Fort Wayne	94	94	94	—
Milwaukee and St. Paul	37	39	30	35
do. do. preferred	58	58	57¾	57¾
Ohio and Mississippi	32	32¼	26⅝	30⅛
N. J. Central	98	98	98	—
Union Pacific	20½	22½	14	20¼
C. C. and Indiana Central	20	23½	19½	22½
Pittsburg	82½	82½	82½	—
Western Union Telegraph	77	79	67	68½
Pacific Mail	37½	39½	32½	37½

About 11 A. M. on Monday, the manager of the Clearing House announced that all but two of the banks had pulled through, and that those two, having been supplied with loan certificates, had settled their balances. This statement gave great relief to financiers and to depositors. The Loan Committee issued about two and a half millions of dollars in certificates during the morning, and at the close of bank hours had increased the amount to six millions six hundred and fifty thousand, with the expectation of issuing more to-day.

ATTEMPT TO FLOOD WALL STREET WITH BOGUS BONDS.—A bold and very nearly successful attempt at swindling by means of forged bonds was made in Wall Street on August 30th. A. W. HOLBROOK, of the firm of JOHN W. EDDY & CO., bankers, was in his office, when he was accosted by an old gentleman named BROWN, who does business in Cedar Street, and with whom HOLBROOK is well acquainted. BROWN introduced one WILLIAMSON, described as a fine-looking man, who said he wished to borrow $ 25,000 for sixty days, at 7 per cent. and commission. He offered as security thirty $ 1,000 N. Y. Central bonds of 1876. HOLBROOK took one of the bonds and went out to place the loan elsewhere. He succeeded, and soon returned for the other bonds, and to his astonishment WILLIAMSON had gone. He then examined the bonds, which purported to have been signed by ERASTUS CORNING, President, GILBERT L. WILSON, Treasurer, and JACOB STEINBERG, Register of Coupons, and found the signatures were forgeries. HOLBROOK immediately stopped the loan just arranged, and informed detectives. HOLBROOK says he has every belief in BROWN'S integrity, and is convinced he was entirely deceived. BROWN says he became acquainted with WILLIAMSON in March last. On Thursday, while passing through Broad Street, he was hailed by WILLIAMSON, who said he wished to raise some money on New York Central Sevens of 1876, and asked him to negotiate the loan. BROWN replied he would upon a suitable commission, and made an engagement with WILLIAMSON, when the latter was to bring the bonds to the office of EDDY & CO. Small lots, ranging from ten to thirty thousand dollars, are reported to be held in Wall Street, as collaterals. Many exaggerated reports were circulated as to the extent of the forgeries. The original issue of the bonds amounted to $3,000,000 with a convertible clause. Most of them have been converted into stock, and the amount outstanding reduced to $ 195,000, so that the forgeries are likely to be traced and the perpetrators detected. Hardly had the particulars of WILLIAMSON'S attempt become known when word was brought to the detectives that one LEONARD BROWN, of 113 Broadway, was endeavoring to place sixteen of the bonds with OLCOTT & CO., to which firm he had previously disposed of a genuine bond. The firm, on examination, found

that one of the sixteen offered bore a number corresponding with that of a genuine bond already in their possession, and a close scrutiny showed the entire sixteen were forgeries. Detectives then ascertained that WARDEN SHERMAN, of No. 9 Nassau Street, was endeavoring to negotiate for BROWN a loan of $ 25,000 on $ 30,000 worth of New York Central stock, consolidated issue, with THOMAS DENNY & Co., of No. 9 Chauncey Court.

The detective called at SHERMAN'S office and saw BROWN, who appeared impatient, and was walking up and down the office. SHERMAN entered directly after, and handing BROWN a bond, told him he could do no business to-day. BROWN left, and was arrested on the stairs by the detective, who found on him eight forged bonds of the New York Central Railroad, consolidated issue. BROWN was taken to the central office and locked up, and the detectives further succeeded in recovering sixty-two forged bonds, similar to those found on BROWN, from two firms, the names of which are not given. The police say there are $ 1,000,000 of forged bonds ready to flood Wall Street, and that $ 250,000 worth are already placed. The public are cautioned to critically examine the following: New York Central Sixes of 1883, 1887, 1876, and Buffalo, New York and Erie shares.

STERLING EXCHANGE.—On and after the 1st of January next sterling exchange will be quoted on the basis of $ 4.86.65 to the $ 1 sterling as par.

In another section of the same law of Congress, it is declared that "all contracts made after the 1st day of January, 1874, based on an assumed par of exchange with GREAT BRITAIN of fifty-four pence to the $ 1, or four dollars forty-four and four ninths cents to the sovereign or pound sterling, shall be null and void.

The *Journal of Commerce*, which is considered good authority in reference to sterling exchange, considers this action of Congress arbitrary and the fraction established most inconvenient in use. It has grave doubts of the constitutionality of such an enactment. It adds:

"There are two courses open to the bankers after the close of this year. To assume $ 4.86.6½ as the new basis, and sell their bills at a per centage of premium or discount upon that, or to put their price at once into dollars and cents. The former will be very awkward, not only on account of the peculiar fractions, but also because, as it is about the real par, the fluctuations will be continually above and below it, and the quotations often misleading. Thus the one hundred is usually dropped, and one-eighth, one-quarter, one-half of the one per cent. premium would be continually confounded with the same fractions of discount when the turn was a little below par. If the whole quotation were given, as 100⅛, 100¼, etc., when above par, and 99⅞, 99¾, etc., when below par, the confusion of an unaccustomed reckoning would be almost as great. The true solution is to quote just what the proposed exchange shall be in dollars and cents. The buyer of one hundred pounds is asked $ 4.87⅝, he then knows that this calls for his check for $ 487.62, and on this system the youngest arithmetician can give the solution of the problem. The quotation, whatever fraction it may be, fixes the exact price for one pound, and this is easily comprehended."

Should the new law go into general operation, the calculation books at present in use among bankers will become obsolete. It is already arranged to supply the deficiency with two new books, to be published early in autumn. The one gives the figures for converting dollars into pounds, and pounds into dollars from $ 4.40 to $ 6 per £ 1 by half cents (equal to about ⅛ per cent.); and the other facilitates finding a currency rate of exchange at any price of gold from par to 25 per cent. premium (by eighths). An absolutely accurate set of tables may be looked for.

COUNTERFEIT $ 500 LEGAL-TENDER NOTE.—A very dangerous counterfeit Treasury Note was presented and discovered at the Sub-Treasury in this city on August 30th. It is of the issue of 1869.

The following is a description of the differences between the genuine and the counterfeit. The upright that holds the balance of the scales held in the hand of the female figure shows a white line in the counterfeit on the lower part of the palm of the hand to the second figure; in the genuine note the upright is

quite black and in shadow. The lower part of the right lappel of the coat in the portrait of ADAMS in the counterfeit, forms an angle; in the genuine it is a distinct curved line; also, the buttons in the counterfeit are irregular in shape, while in the genuine they are decidedly round and dark in color. Particular attention is called to the button on the left side of the coat in the counterfeit. In the word "WASHINGTON," in the counterfeit notes the black shade forming the first stroke of the letter "W" forms an angle at the bottom; in the genuine note it forms a curve. In the ruled shading under the right hand stroke of the letter "W," and over the letters "A" and "S," there are four ruled lines in the counterfeit; there are but three in the genuine note. Under the letters "A" and "S" in the word "WASHINGTON" in the counterfeit there are five ruled lines; in the genuine there are but four. Also, under the letter "H," in the same word, there are four ruled lines in the counterfeit; in the genuine there are but three. At the bottom of the letter "F" in the denomination title there are five ruled lines in the counterfeit—in the genuine there are six lines. The localized fiber on the left of the portrait is blue in the genuine but without color in the counterfeit. The red seal in the genuine is printed in a delicate carmine color, in the counterfeit it is more of a brick color, and has a heavy appearance, more especially the rays which form the outside of the seal. Attention is called to the blurred and scratchy appearance of the lathe work and lettering on the back of the counterfeit, which, upon comparison with the genuine, will be readily perceived.

ARKANSAS.—SUSPENSION OF A BANKING HOUSE.—The banking house of S. H. TUCKER, the oldest in the State, suspended at Little Rock, September 15th. In a card Mr. TUCKER gives the usual cause, viz.: the great stringency in the money market and the impossibility of realizing at the moment money due him. He states that he has abundant property to meet all his liabilities.

COLORADO.—The PEOPLE'S SAVINGS BANK of Denver have commenced operations and will transact a general banking business. President, J. W. BLACKBURN; Cashier, H. C. DONNELL. Their New York correspondents are DONNELL, LAWSON & CO.

ILLINOIS.—The FIRST NATIONAL BANK OF LINCOLN, Logan County, (No. 2,126), was organized in August, with a capital of $ 50,000, limited to $ 100,000. President, JOHN D. GILLETT; Cashier, HARRISON B. SCHULER.

KANSAS.—DEFAULTING CASHIER.—CARL MOLLER, Cashier of the GERMAN SAVINGS BANK of Leavenworth, is reported to be a defaulter in the sum of $ 20,000. MOLLER transferred to the bank, on 15th September, all his real and personal property, estimated as worth $ 10,000. The capital of the bank being ample its business will not be interrupted by the loss.

MASSACHUSETTS.—BOSTON CITY DEBT.—The Boston *Journal* gives the following interesting tables:

VALUATION OF BOSTON FOR TWELVE YEARS.

	Total Valuation.	*Increase.*	*Rate.*
1862	$ 286,217,000	$ 456,900	$ 10 50
1863	302,507,200	26,290,200	11 50
1864	332,449,900	29,942,700	13 30
1865	371,892,775	39,442,875	15 80
1866	415,362,345	43,469,570	13 00
1867	444,946,100	29,583,755	15 50
1868*	493,573,700	48,627,600	12 30
1869	549,511,600	55,937,900	13 70
1870†	584,089,400	34,577,800	15 30
1871	612,663,550	28,574,150	13 10
1872	682,724,300	70,060,750	11 70
1873	693,831,400	11,107,100	12 80

* Roxbury included, with a total valuation when annexed of $ 26,551,700.
† Dorchester included, with a total valuation when annexed of $ 20,315,700.

DEBT STATEMENT.

	Total Debt.	Means on Hand for Paying.	Net Debt.
1864–65	$ 11,497,699	$ 1,621,255	$ 9,876,443
1865–66	12,180,250	3,039,590	9,140,660
1866–67	13,020,463	4,440,278	8,581,184
1867–68	14,146,900	5,199,369	8,947,530
1868–69	17,304,435	6,868,989	10,434,446
1869–70	21,818,411	9,215,831	12,602,580
1870–71	26,666,436	11,632,959	15,033,476
1871–72	28,638,535	12,809,159	15,779,376
1872–73	37,671,672	13,926,777	23,744,894

SUICIDE OF A NATIONAL BANK PRESIDENT.—WILLIAM S. BOYCE, a resident of Lynn, a member of the firm of WILLIAM S. BOYCE & SONS, shoe manufacturers, and President of the FIRST NATIONAL BANK of Lynn, committed suicide on the evening of August 27th, at the U. S. Hotel, Boston. Mr. BOYCE was about sixty years old, a native of Lynn, and the senior member of the firm of WILLIAM S. BOYCE & SONS, prominent dealers in shoe findings, of Boston. He commenced life as a shoe manufacturer in his native town, but as he gradually acquired wealth he merged his manufacturing into the findings business, and many years ago moved into Boston, where he has since remained. He was a life-long member of the Society of Friends, and was one of its most liberal, yet influential members. Years since he became a director in the FIRST NATIONAL BANK of Lynn, and was subsequently its president. He was a man of great kindliness of heart and polished manners, and moved at the head of Lynn society. The motive for this sad deed is beyond comprehension, for he had ample means, but few business cares, and had only just completed and occupied a new and costly residence at Lynn. In fact, every element necessary to make his declining years happy appeared to be at his command.

BOSTON.—Mr. CHARLES B. F. ADAMS, the oldest notary public in Boston and Commissioner for nearly every State in the Union, died at his residence, Tremont and Brookline Streets, on Wednesday, September 17, after an illness of several months. He was born in 1812, and graduating with high honor and the Franklin medal from the English high school, in 1828, he soon entered into the furniture business as junior partner in the firm of HANCOCK, HOLDEN & ADAMS, well known to the older residents of Boston as located in Cornhill. Here he remained till the election of Governor BRIGGS, from whom he received a notary's commission. His care and accuracy in his new calling soon brought him a large business, including confident trusts from almost all the banking institutions in the city, and it was not many years before he was the authorized Commissioner in Boston for every State in the Union, and had almost a monopoly of the passport business with travelers abroad. He was an honored member of the Columbian Lodge of Free and Accepted Masons, also of the Boston Encampment of Knights Templars, and the Ancient and Honorable Artillery, and his circle of acquaintance, outside that of his strictly business association, was large and valuable.

MISSOURI.—The JASPER COUNTY BANK has commenced business at CARTHAGE, under a State charter, with a capital of $ 100,000. President, T. REGAN; Vice-President, JAMES S. ZANE; Cashier, GEORGE P. CUNNINGHAM. Their New York correspondents are Messrs. DONNELL, LAWSON & CO.

ST. LOUIS.—The NATIONAL LOAN BANK OF ST. LOUIS has changed its title, in compliance with the recent Act of Congress, to the CONTINENTAL BANK OF ST. LOUIS. The FIRST NATIONAL BANK has likewise dropped that title and taken the new name of the EMPIRE BANK OF ST. LOUIS. In both cases the officers are unchanged and the business of each bank continues as before.

NEW YORK.—The FIRST NATIONAL BANK OF ADAMS has been merged into the HUNGERFORD NATIONAL BANK, and its business is continued by the latter.

SUICIDE OF A BANK CASHIER.—Mr. J. H. ROSENQUEST, Cashier of the FIRST NATIONAL BANK OF TARRYTOWN, committed suicide at his residence

on the morning of the 28th August. He had for several months been troubled with partial insanity. At the advice of his friends he had made a short trip to EUROPE, and had returned seemingly much better. The symptoms returned, however, about ten days ago, and his physician advised sending him away again from his business. This was not done. He continued to perform his duties at the bank until the evening before his death. In the morning he appeared calm and quiet and asked for his razor, saying he must shave. In a short time he was found with his throat cut, and he was quite dead when a physician arrived. The cause of his insanity is not in any manner connected with his pecuniary affairs, his accounts being found correct, but is attributed to over-exertion of the mind from too close application to business. He was thirty-five years of age and a native of New York City.

PHILADELPHIA.—The effect produced by the suspensions of Sept. 18th is thus described by the *Ledger* :

"We have not witnessed so much excitement on Third Street as that which continued all day yesterday since the memorable occasion of the failure of the BANK OF PENNSYLVANIA, sixteen years ago. At half-past ten o'clock in the morning a telegram from NEW YORK announced the failure of the banking house in that city of JAY COOKE & CO. Shortly after a bulletin was posted on the house of the same firm in this city and the doors immediately closed. The news, which created great consternation, spread like wild-fire, and soon the street was blocked by an immense crowd of anxious inquirers, all asking questions and few receiving satisfactory replies. There were many reports afloat to the effect that the house had been engaged in speculations in gold and in sterling exchange. These, we are assured from reliable sources, are wholly unfounded. There have been no such transactions, consequently no losses have been sustained in that way. The failure, as we understand, comes from large advances made on North Pacific Railroad bonds and other securities not immediately marketable. The members of the American house of JAY COOKE & CO. are JAY COOKE, WM. G. MOOREHEAD, H. C. FAHNESTOCK, H. D. COOKE, PITT COOKE, GEORGE C. THOMAS, JAMES A. GARLAND, and JAY COOKE, Jr. The members of the LONDON house are HUGH MCCULLOCH, JOHN H. PULESTON, FRANK H. EVANS, and JAY COOKE & CO. It is understood that the London house is in no wise responsible for the liabilities of the American house, while the American house does participate in the profits of foreign house.

"While the excitement in reference to the suspension of JAY COOKE & CO. was at its height, it was announced that the well-known house of E. W. CLARK & CO. had suspended, in consequence, as it was avowed, of the unusual demands made upon them for the return of deposits. What the amount of liabilities of the house is in this respect is not stated, but we are glad to be assured from a reliable source that it is entirely within its means, and that but a very short time will be required to make their assets available to that end. The two failures, above noted, were causes of universal regret, and the parties have the best wishes of the community for their full and early reinstatement in business and with all their former credit."

The panic in PHILADELPHIA has resulted in the suspension of three chartered banks and several private banking firms.

SOUTH CAROLINA.—LEGAL STATUS OF CONFEDERATE CURRENCY.—The Supreme Court of SOUTH CAROLINA has decided in favor of a master in chancery whom it was sought to charge with liability for having received Confederate money for trust funds during the war period. The Court says :

The master (Mr. TUPPER) was the officer of a court in a State which satisfied all its obligations and engagements with Confederate currency, and accepted it in payment of debts due to it without question as to the time when they were contracted. He was required to deposit all money received by him in his official character in the bank of the State (7 St. L. 323, 11 St. L. 113,) and that institution dealt exclusively in the prevailing currency so far as the payment of deposits was concerned. It has been shown in the argument that the Court recognized the currency by ordering sales for cash when no other money medium

existed, and directing stocks of a bank in Charleston of good repute and State and city bonds to be sold by the master, and the proceeds invested in bonds or stocks of the Confederate States. At least one instance is known to a member of the Court, long a practitioner in the State, where the Court of Equity instructed the commissioner to invest money received on a bond in which minors were interested, and which was secured by a mortgage of real estate, in the bonds of the Confederate government.

The notes accepted by Mr. TUPPER "were used as money in nearly all the business transactions of many millions of people. They must be regarded, therefore, as a currency imposed on the community by irresistible force by a government, obedience to whose authority in civil and local matters was not only a necessity, but a duty. They were the only measure of value which the people had, and their use was a matter of almost absolute necessity." THORINGTON *v.* SMITH, 8 WALLACE, 11, 12, 13. See also, opinion of Mr. Justice WILLARD in NEELY *v.* MCFADDEN, 2 S. C. Rep. (N. S.) 173, 4.

TENNESSEE.—The JACKSON SAVINGS BANK has commenced business at Jackson under a State charter. President, JAMES W. ANDERSON; Cashier, N. RHODES. They will transact a general banking and exchange business, their New York correspondents being Messrs. DONNELL, LAWSON & CO.

Memphis.—The STATE NATIONAL BANK of Memphis (No. 2127) was organized in August, with a capital of $150,000, limited to $300,000. President, RICHARD C. DANIEL; Cashier, JOHN J. FREEMAN. Their New York correspondent is the METROPOLITAN NATIONAL BANK. This bank succeeds to the business of the MERCHANTS' NATIONAL BANK and of the Jackson Insurance Company.

THE BANK OF ENGLAND FORGERIES.—The trial of the BANK OF ENGLAND forgers was brought to an end on August 26th. After GEORGE BIDWELL had concluded his examination of witnesses for the prosecution, he delivered an address to the Court, in which he exonerated AUSTIN BIDWELL and EDWIN NOYES from all complicity in the frauds, and declared that he and GEORGE MACDONNELL were the only guilty ones. MACDONNELL also addressed the Court, bearing out the statements of BIDWELL.

The case was then given to the jury, who, after twenty minutes' deliberation, found all the accused guilty.

Mr. Justice ARCHIBALD immediately sentenced each of the prisoners to penal servitude for life—the highest punishment under the laws for their offence.

STAMPS ON BILLS IN ENGLAND.—That law does not always mean equity is curiously shown by a case which has been tried before Mr. Baron MARTIN at the Croydon Assizes. An action was brought to recover £ 1,900, the amount of certain foreign bills of exchange endorsed by the defendant to the plaintiff, and of the justice of the plaintiff's claim no reasonable doubt, according to a correspondent of the *Times*, could apparently be entertained. A technical flaw, however, ruined all. The defendant's counsel called attention to the fact that the stamps placed on the bills had been canceled by means of a cross instead of being obliterated, as the act provides, by "the endorser or transferrer or negotiator writing his name or the name of his firm and the date of the day and year on which he shall so write the name." The judge held that the objection was fatal to the case of the plaintiff, who thus lost £ 1,900 simply in consequence of an informality which may doubtless be seen on the face of many a piece of mercantile paper.

LONDON.—The BANK OF ALEXANDRIA has commenced business in London at No. 5 Great Winchester Street Building, London, and at Alexandria, EGYPT, with a nominal capital of £ 1,000,000, of which the sum of £ 800,000 has been subscribed and paid. The chief features of this new bank are the issues of letters of credit on Alexandria, Cairo and Suez, the purchase and sale of Egyptian securities, the collection of Egyptian government bonds and coupons, the negotiation of commercial paper payable in EGYPT, and a general banking business.

London.—The CHEQUE BANK has commenced business in Pall Mall East and at No. 124 Cannon street, London, with a guarantee fund of £ 100,000, duly

invested and in the hands of trustees. Of the peculiar features of this new institution (which was mentioned in our last issue) a London paper gives this further account:

Any person depositing, say £ 50 in it, or any bank in connection with it, will receive a book containing ten forms of cheque, which he can fill up for any sum not exceeding £ 5 each, or fifty cheques, upon each of which any sum not exceeding £ 1 can be drawn, these amounts being so printed upon the cheques that they cannot be altered. The cheque will thus be at the responsibility of the bank and not of the drawer, and will be accepted in payment of accounts, and by other bankers in the same manner as they would accept notes or specie. This system is considered calculated to effect great economy in the use of coin and notes, and to be of much advantage to small traders and others unable to keep large accounts, and who have been discouraged from banking by the unwillingness of ordinary bankers to open petty accounts. The CHEQUE BANK further will confine itself altogether to this business, neither discounting bills nor making advances, but allying itself to, instead of entering into rivalry with, existing banks.

GERMANY.—The DEUTSCHE BANK has been established as a limited company under Prussian law; capital paid, fifteen million thalers, equivalent to £ 2,250,000; head office in Berlin, with agencies at Hamburg, Bremen, Shanghai and Yokohama, and at No. 50 Old Broad street, London. Their New York agents are Messrs. KNOBLAUCH & LICHTENSTEIN, who are authorized to issue credits on Shanghai and Yokohama. The card of this firm may be found on the cover of this work.

THE SAVINGS BANKS.—Runs commenced on several of the savings banks on Monday, 22d. The first was upon the FRANKLIN, at Eighth Avenue and Forty-second Street; then the UNION DIME, on Canal Street. Others followed fast until fifteen were thus suddenly called on, but no alarm was created, the savings-bank officers having previously agreed to demand thirty days' notice of withdrawal on any sums that seemed likely to lead to embarrassment. The action of individual banks was reported as follows:

The SEAMEN'S BANK FOR SAVINGS decided to pay all demands for sums not over $ 100 immediately; on all sums over that the thirty-days' notice must be given.

The UNION DIME paid all demands under $ 100. It had 90,000 depositors, and $ 1,500,000 currency on hand.

The NEW YORK SAVINGS BANK, at Sixth Avenue and Fourteenth Street, met all demands.

The BOWERY had a heavy run of small depositors, and paid out $ 200,000 up to noon. Some of the depositors came back later in the day and put their money back, begging that their interest might be continued.

The SIXPENNY SAVINGS, at Astor Place, required the full thirty days' notice, except in cases of actual necessity. The THIRD AVENUE enforced the same provision. At the GERMAN UP-TOWN, and at the PEOPLE'S, both in Third Avenue, there was no demand for money. The IRVING, at 96 Warren Street, had a slight run, which subsided before noon.

The BLEECKER STREET BANK FOR SAVINGS had a marked run on Monday and Tuesday, but met all demands. The GREENWICH, at 73 Eighth Avenue, had a slight run and paid promptly. The CLINTON, EXCELSIOR, WEST SIDE, and ATLANTIC SAVINGS had no trouble.

At the BOWERY SAVINGS BANK $ 400,000 was paid out in over 1,000 payments. The managers decided to enforce the thirty-day rule for drafts not exceeding $ 300, and to require sixty days' notice for larger anounts. They refused to take back deposits without forfeiture of interest.

At the CITIZENS' SAVING BANK, up to 7 P. M., 350 depositors were paid, over $ 100,000 being handed in that time over the counter. Towards the close,

a large number of the depositors came back and redeposited their money. The bank officers did not avail themselves of the notice of thirty days.

At a meeting of the directors of the BROOKLYN BANK, it was decided to sell $1,000,000 government bonds to meet further calls.

Another meeting of the savings-banks presidents was held on September 22d, and it was declared by all who had adhered to the thirty-day notice rule that the depositors themselves approved it as in their interest. There had been continued runs upon the DIME, CITIZENS', and BOWERY savings banks, but neither was subject to any strain. It seemed probable that they too will adopt the thirty-day notice rule. It is not obligatory on any savings bank, but it has worked so well that all are favorably inclined to it.

THE DUTY OF BANK DIRECTORS.—The United Society of Shakers having brought suit against certain directors of the BANK OF BOWLING GREEN, to recover for the unlawful conversion by officers of the bank, of special deposits belonging to the plaintiffs, the KENTUCKY Court of Appeals say:

It is certainly the duty of bank directors to use ordinary diligence to acquaint themselves with the business of the corporation, and whatever information might be required by ordinary attention to their duties, they might in controversies with persons doing business with the bank be presumed to have. Public policy demands that they shall not be heard to say that by reason of their gross negligence and willful inattention they were not apprised of that which the ledgers, books, accounts, correspondence, reconcilements and statements of the bank showed to be true. It is not necessary in actions like these to bring home to the directors actual knowledge of the fact that the special deposits held by the bank were being sold and converted to its use by the officers having them in custody. It must suffice to show that the evidences of the practice were such that it must have been brought to their knowledge unless they were grossly or willfully careless in the performance of their duties.

ENGLISH INVESTMENTS.—According to the *Investors' Guardian* (published in London), there were no less than seventy-five new companies formed in the UNITED KINGDOM (mainly in London), in the month of June last, demanding a capital of over ten millions sterling; and in the first six months of the year a capital of seventy-five millions sterling, or eight millions more than in the corresponding period of 1872.

The following is an analysis of the June companies, arranged with regard to their objects: 20 manufacturing, £ 1,334,750; 15 mining, £ 1,300,000; 12 land and building, £ 598,905; 5 trading, £ 267,000; 4 banking and financial, £ 3,010,000: 4 shipping and steam navigation, £ 1,102,000; 2 insurance, £ 1,500,000; 1 railway, £ 1,000,000; 1 public works, £ 200,000; 1 printing and publishing, £ 50,000; 1 quarrying, £ 5,000; 1 gas, £ 1,500; 8 miscellaneous, £ 346,800. Total (75 companies), £ 10,715,955.

The beginning of June, 1873, found the bank rate standing at 6 per cent. On the 4th of the month it was suddenly raised to 7 per cent., but was again lowered, on the 12th, to 6 per cent., at which figure it remained fixed for the res of the month. During the corresponding period of 1872, the rate, at first 4 per cent., was reduced to 3½ per cent., while for the latter portion of the month it was only 3 per cent., or just one half of what it has been during June and July this year. It is necessary to bear this in mind as we review, according to our custom, the new joint-stock companies registered under the limited liability acts last month; otherwise the decrease in the number of incorporations which were effected in June would appear somewhat startling, having regard to the great and increasing activity among promoters, of which we have lately had so much evidence.

CHANGES OF PRESIDENT AND CASHIER.

SEPTEMBER, 1873.

(*Monthly List; continued from August No., page* 152.)

Banks are requested to furnish prompt notice of any changes.

Name of Bank.	*Elected.*	*In place of*
Germania B'k, New York City	G. Schreitmiller, *Cash.*	C. Brenneman.
Sixth Nat. Bank, " "	Francis Leland, *Pres.*	C. Darling.*
Nat. B'k. of Western Arkansas, Fort Smith, ARK.	P. K. Roots, *Cash.*	E. S. Mitchell.
B. of California, San Fran., CAL.	Thomas Brown, *Cash.*	W. C. Ralston.
Fourth Nat. B'k, Chicago, ILL.	B. V. Page, *Pres*	Henry R. Payson.
" " "	Chas. D. Sherman, *Cash.*	George Taylor.
Bank of Chicago, "	Samuel J. Walker, *Pres.*	George C. Smith.
Hancock Co. N.B., Carthage, "	Will. H. Griffith, *Cash*	E. Cherrill.
Second N. B., Charleston, "	Isaiah H. Johnson, *Pres.*	George W. Parker.
Workingmen's B'king Co., East St. Louis, "	F. M. Christy, *Pres*	J. P. Becker.
Workingmen's B'king Co., East St. Louis, "	E. W. Wider, *V. Pres.*	L. M. St. John.
First Nat. B'k, Marseilles, "	J. N. Chapple, *Cash*	W. C. Tillson.
Rochelle N. B'k, Rochelle, "	Francis Carey, *Pres.*	L. M. Mallery.
" " " "	I. N. Perry, *Cash.*	L. T. Miller.
First N. B., Indianola, IOWA	A. S. Moncrief, *Pres.*	D. Hallam.
Citizens' B. of N. Topeka, KAN.	Charles J. Lovejoy, *Pres.*	N. Maxwell.
" " " "	J. Thomas, *Cash.*	J. R. Swallow.
People's Nat. Bank, Ottawa, "	H. H. Ludington, *Pres.*	L. W. Shepherd.
First N. B. of Council Grove, "	M. Conn, *Pres*	E. K. Stover.
B. of Kentucky, Frankfort, KY.	E. L. Samuel, *Cash.*	Edmund H. Taylor.*
La. Sav. Bank & Safe Dep. Co., New Orleans, LA.	E. C. Palmer, *Pres.*	W. Van Norden.
Pittsfield N. B., Pittsfield, MASS.	John V. Barker, *Pres.*	Thomas Colt.
First Nat. Bank, Lynn, "	John Wooldredge, *Pres.*	Wm. S. Boyce.*
Natick, N. B., Natick, "	Geo. S. Trowbridge, *Cash.*	....
First N. B., Northfield, MINN.	J. A. Scriver, *Pres.*	F. Goodsell.
Citizens' N. B., Faribault, "	C. H. Whipple, *Cash.*	Z. S. Wilson.
Winona Deposit N. B., "	J. E. Ray, *Cash*	J. J. Cummings.
Market St. B'k, St. Louis, Mo.	Jos. Schnaider, *Pres.*	Ferd. Meyer.
" " " "	G. A. Spannagel, *Cash.*	W. A. Stumpe.
Home Sav. Bank, " "	Henry S. Parker, *Pres.*	Joseph Hodgman.
St. B. of Neb., Brownville, NEB.	H. S. Gates, *Cash.*	George P. Eaton.
People's N.B., Fayetteville, N.C.	C. F. Morse, *Pres*	James Kyle.
Manuf. Nat. B'k, Newark, N.J.	Chas. G. Campbell, *Pres.*	Theo. Runyon.
N. Ulster Co. B., Kingston, N.Y.	C. D. Bruyn, *Pres.*	Cornelius Bruyn.
" " " "	B. L. Brodhead, *Cash.*	C. D. Bruyn.

Name of Bank.		*Elected.*	*In place of*
Nat. City Bank, Cleveland,	O...	W. P. Southworth, *Pres.*.	Lemuel Wick.
Keystone Bank, Phila.,	PA.	Jacob Sallade, *Pres*......	L. Montgomery Bond.
First Nat. Bank, Columbia,	" .	H. M. North, *Pres*.......	E. K. Smith.
First N. B., Wrightsville,	" .	Geo. K. Schenberger, *Cash.*	Wm. F. Lloyd.
Penna. Nat. B'k, Pottsville,	" .	R. F. Lee, *Pres*.........	C. H. Dengler.
First N. B., Brownsville,	" .	E. Crumrine, *Cash*.......	W. Parkhill.
St. Petersburg Sav'gs Bank, St. Petersburg,........	" .	John V. Pitts, *Act'g Cash.*	Charles Horton.*
Foxburg S. B., Foxburg,..	" .	R. J. Moorhead, *Act'g Cash.*	E. W. Matthews.
Buckingham Savings Bank,... Buckingham C. H.,	VA..	J. B. Gilliam, *Pres*......	N. F. Bocock.*
Va. B. & Tr. Co., Staunton,	" .	Rudolph G. Mayo, *Cash.*.	Wm. H. Tams.*

* Deceased.

LIABILITY OF INDORSERS TO BE THROWN INTO BANKRUPTCY.—An important question is now agitating the business community: Can an indorser of notes, whose liability has become fixed by reason of notice to him of protest of notes for non-payment by the maker thereof, be thrown into bankruptcy if he allows fourteen days to elapse without paying the holder of the notes?

Of the causes for throwing a party into bankruptcy, section 39 of the law says:

"Or who, being a banker, broker, merchant, trader, manufacturer or miner, has fraudulently stopped payment, or who has stopped or suspended and not resumed payment of his commercial paper within a period of fourteen days, shall be deemed to have committed an act of bankruptcy, and subject to the conditions hereinafter prescribed, shall be adjudged a bankrupt on the petition of one or more of his creditors, the aggregate of whose debts provable under this act amount to at least $ 250; provided such petition is brought within six months after the act of bankruptcy shall have been committed."

Under this clause Mr. MORRIS LANGSDORF, of this city, by his attorney, AUGUSTUS BINSWANGER, has filed petitions in bankruptcy in the United States District Court for the Eastern District of MISSOURI, against the following persons: HENRY J. HILLSDORFF (a noted contractor), FRANCIS SALER (a book publisher), and JOHN CLEMENS (sail maker), who have indorsed a number of notes for CHRISTIAN STAEHLIN, which said notes were protested for non-payment. As a great deal of said paper has been issued, and there are many holders thereof, the action of the petitioning creditor has caused quite a commotion among the bankers and brokers of this city.

Hitherto it was the general prevailing opinion among attorneys and bankers that an indorser could not be forced into bankruptcy merely for refusing to take up notes indorsed by him which had gone to protest, but that the holder could only assert his rights by prosecuting his claim in a court of law.

When the petitions against said indorsers were presented to Judge TREAT, he immediately caused an order to be issued to each of said parties, returnable on the 25th instant, for them "to show cause why they should not be adjudicated bankrupts."

The issuance of these orders to show cause seems to indicate Judge TREAT'S views on the subject, that the indorsers of notes come within the purview of that section of the bankrupt act. Business men who hitherto have been very free in the lending of their name to commercial paper to give it credit will no doubt be very careful hereafter for whom they indorse, when a failure to pay on the part of the makers of the notes can call into play the powerful machinery of the bankrupt law to crush them, as well as the makers of the notes, out of the financial world.—*St. Louis Democrat.*

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from Sept. No., page* 234.]

NEW YORK CITY.

Suspensions, September 18*th to* 2 *th.*

National Bank of the Commonwealth.
National Trust Company.
Union Trust Company.
George B. Alley & Co.
Beers & Edwards.
Brown, Wadsworth & Co.
Theodore Berdell.
Henry Clews & Co.
W. E. Connor.
Jay Cooke & Co.
Day & Morse.
Fisk & Hatch.
Fitch & Company.
Fearing & Dellinger.
Greenleaf, Norris & Co.
Hay & Warner.
Edward Haight & Co.
Howes & Macy.
Eugene J. Jackson.
Lawrence Joseph.
Amos M. Kidder.
Kenyon Cox & Co.
Ketchum & Belknap.
Jacob Little & Co.
W. G. Moorehead & Co.
Miller & Walsh.
Peter M. Myers & Co.
Marvin & Brothers.
Thomas Reed & Co.
E. D. Randolph & Co.
S. H. Smith & Seaver.
Saxton & Rogers.
Taussig, Fisher & Co.
Vernam & Hoy.
W. H. Warren.
White, Defreitas & Rathborne.
Whittemore & Anderson.
Charles G. White & Co.
Williams & Bostwick.

ARKANSAS.—S. H. Tucker, *Little Rock*, (*suspended*).

D. C.—First National Bank, Jay Cooke & Co., *Washington*, (*suspended*).

ILLINOIS.—Franklin Bank, (*suspended*); Grocers' Bank, *Chicago*, ———

IOWA.—W. H. Hager & Sons, *Marshaltown*, (succeeded by City Bank); Burrowes & Cowles, *Osceola*, (succeeded by George H. Cowles); City Savings Bank, *Burlington*, (*failed*).

KANSAS.—James Streeter & Co, *Junction City*, (consolidated with First National Bank).

KENTUCKY.—Parker & Fosdick, *Louisville*, (discontinued business.)

MARYLAND.—R. W. Cox & Co., *Baltimore;* Brown, Lancaster & Co., *Baltimore*.

MICHIGAN.—Miller & Webster, *Ann Arbor*, (*failed*).

MINNESOTA.—W. F. Dickinson, *Redwood Falls*, (succeeded by Bank of Redwood Falls).

MISSOURI.—Taussig, Gempp & Co., *St. Louis*, (*failed*).

NEW YORK.—First National Bank, *Adams*, (succeeded by Hungerford National Bank); Thomas Squires & Son, *Albany*, (*suspended*); O. C. Wheeler, *Farmers' Village*, (now Wheeler & Peterson); Bryan & Ransom, *Richfield Springs*, (*suspended*).

PHILADELPHIA.—Jay Cooke & Co.; E. W. Clark & Co.; Union Banking Co.; Charles P. Bayard; H. H. Bull; De Haven & Brother; Henry H. Douglass; Henry L. Fell; Gilbough, Bond & Co.; T. C. Knight; John P. Lloyd; George H. North; J. S. & H. E. Yerkes. (*All suspended.*)

PENNSYLVANIA.—Powell & Co., *Williamsport*, (*suspended*); Brown & Gray, *Wilkesbarre*.

TENNESSEE.—Merchants' National Bank, *Memphis;* Jackson Insurance Co., *Memphis*, (both succeeded by State National Bank).

TEXAS.—Norsworthy & Co., *Jefferson*, (*suspended*).

VIRGINIA.—The Dollar Savings Bank, *Richmond;* Isaacs, Taylor & Williams, *Richmond;* the Merchants' National Bank; Planters and Mechanics' Bank; People's Savings Bank; and First National Bank—all of *Petersburg*.

WASHINGTON TER.—Puget Sound Banking Co., *Seattle;* Phillips, Horton & Co., *Seattle*, (succeeded by Dexter, Horton & Co.).

CANADA.—H. J. Morse & Co., *Toronto*.

TEXAS.—The announcement in our last number that the banking house of ERASTUS JONES, at Jefferson, had discontinued business, was incorrect. Mr. JONES has obtained the charter for a National bank at that point, but does not intend, for the present, to avail himself of its privileges.

CHANGES OF TITLE.

First National Bank of St. Louis to Empire Bank.
Metropolitan Bank " " " Bank of St. Louis.
National Loan Bank " " " Continental Bank of St. Louis.

LONDON, Sept. 24.—The house of Clews, Habicht & Co. decided to suspend. They called in their solicitor, and after a consultation, decided to suspend payment. Their liabilities on account of Henry Clews & Co. are £ 240,000. Their other liabilities are £ 64,000. They have assets sufficient to meet their own liabilities, but not those of Henry Clews & Co. Liquidation of affairs depends upon the condition of the New York house. The London house has not lost a penny.

THE NEW TRADE DOLLAR.—The establishment of the trade dollar by the UNITED STATES appears to have excited considerable alarm in MEXICO, on account of its probable successful competition in the Asiatic markets with the Mexican dollar, and lead the Mexican Congress to immediately pass a decree restoring the dies in use prior to November, 1867. It appears that the die in use since 1867 contains some alteration which rendered the new dollar less popular in CHINA than the one so long in use. Although the Chinese are opposed to innovations, it is not likely that the mere devices on a coin will give it preference over another. The question will be as to which dollar contains the most pure silver. The following comparison will show the standard of pure silver of the several silver dollars known to the commerce of the East, including the lately existing United States dollar:

Dollar.	*Weight, Grs. Troy.*	*Fineness.*	*Pure Silver, Grs. Troy.*
Mexican.......	417.15-17	902.7-9	377¼
Japanese Yen..	416	900	375.410
Late American.	412½	900	371¼
U. S. Trade....	420	900	378

It will be thus seen that the new trade dollar contains ¾ of a grain more of pure silver than the Mexican dollar, which, together with the fact that this coin will be made to conform very closely to standard, both as respects fineness and weight—which cannot be said of the Mexican dollar—it will possess a decided advantage over its competitor.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from September Number, page 233.*)

NEW YORK CITY.

Day & Heaton, 29 New. J. W. Post, 3 Hanover.
David Groesbeck & Son.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Denver, Col.	People's Savings Bank	Donnell, Lawson & Co.
Fairplay, "	C. G. Hathaway	Kountze Bros.
Pueblo, "	Goodnight, Cresswell & Co.	Kountze Bros.
Chicago, Ill.	German-American Savings Bank.	....
" "	Home Savings Bank	....
" "	Market Sav. & Exch. Bank	....
" "	Security Savings Bank	....
" "	A. W. Gilmore	First National Bank.
" "	Kellogg, Voswinkel & Co	Schulz & Ruckgaber.
" "	McMullen Bros	Howes & Macy.
" "	Adam Smith & Son	Gilman, Son & Co.
Canton, "	People's Bank	Allen, Stephens & Co.
Lincoln, "	First National Bank	....
Marshall, "	Eagle Insurance Co. Bank	Howes & Macy.
Newman, "	Z. S. Pratt	Ninth National Bank.
Ellittsville, Ind.	F. E. Worley	Winslow, Lanier & Co.
Marshaltown, Iowa	City Bank	Gilman, Son & Co.
Osceola, "	George H. Cowles	Saunders & Hardenberg.
StrawberryPoint, "	Lovell, Corbett & Co	....
Traer, "	Brooks & Moore	Allen, Stephens & Co.
Waukon, "	L. W. Hersey	Gilman, Son & Co.
Beloit, Kansas.	F. H. Hart	Imp. & Traders' Nat. B'k.
Cottonwood Falls, "	N. J. Swayze	Northrup & Chick.
Oskaloosa, "	Henry Taylor & Co	Northrup & Chick.
Caseyville, Ky	Caseyville Deposit Bank	Duncan, Sherman & Co.
Baltimore, Md.	Union Banking Co.	Kountze Bros.
Redwood Falls, Minn.	Bank of Redwood Falls	Imp. & Traders' Nat. B'k.
St. Paul, "	Farmers & Mechanics' Bank	Imp. & Traders' Nat. B'k.
" "	German-American Bank	Imp. & Traders' Nat. B'k.
" "	Savings Bank of St. Paul	Amer. Exch. Nat. B'k.
St. Louis, Mo.	Bank of North America	Hanover National Bank.
" "	Guardian Savings Bank	....
" "	Hibernia " "	Nat. B. of the Republic.
" "	Northwestern Savings Bank	Chatham National Bank.
Unionville, "	J. N. Conger, (Putnam Co. B'k)	Allen, Stephens & Co.
Bannack City, Mon.	Isaac Roe & Bro	Kountze Bros.
Kearney Junc., Neb.	C. W. Dake	Kountze Bros.
Lockport, N. Y.	Lockport Banking Association	Corn Exchange Bank.

Place and State.		*Name of Bank.*	*N. Y. Correspondent.*
Pittsburgh,	Pa.	Anchor Savings Bank	Allen, Stephens & Co.
"	"	Germania Savings Bank	....
Alleghany,	"	Nation's Savings Bank	....
Annville,	"	Deposit and Savings Bank	Union Bank'g Co., Phila.
Ashley,	"	Ashley Savings Bank	Union Bank'g Co., Phila.
Dillsburg,	"	Dillsburg Bank	Union Bank'g Co., Phila.
Newport,	"	Br. Farmers' B'k of Millerstown	Union Bank'g Co., Phila.
Slippery Rock,	"	Centerville Savings Bank	Ninth National Bank.
Williamsport,	"	E. L. Piper & Sons	Union Bank'g Co., Phila.
Wilkesbarre,	"	People's Bank	Im. & T. & Hanover N.B.
Memphis,	TENN.	State National Bank	Metropolitan Nat. B'k.
Jackson,	"	Jackson Savings Bank	Donnell, Lawson & Co.
Cuero,	TEXAS	H. Seeligson & Co.	Ninth National Bank.
Salt Lake City,	UTAH.	Chas. E. Pomeroy	Kountze Bros.
Milwaukee,	WIS.	James B. Turck	Gilman, Son & Co.
London,	CANADA	Dominion Sav. & Ins. Soc	....

FINANCIAL CHRONOLOGY.

[*Continued from September No., page* 232.]

AUGUST.

20 Death of DAVID HOADLEY, aged 67 years, formerly Vice-President of the AMERICAN EXCHANGE BANK.
24 FIRST NATIONAL BANK building, Post-office, etc., at Eaton, O., destroyed by fire.
25 Defalcation in the ALBANY NATIONAL EXCHANGE BANK.
27 Suicide of W. S. BOYCE, President FIRST NATIONAL BANK of Lynn, MASS.
28 Suicide of J. H. ROSENQUEST, aged 35 years, Cashier of the FIRST NATIONAL BANK of Tarrytown, N. Y.
28 Loan of $ 500,000 by the Panama R. R. Co. to the Pacific Mail S. S. Co. for one year.
30 Fraudulent bonds of the Hudson River and N. Y. Central R. R. Co. discovered in Wall Street.

SEPTEMBER.

4 Sale of $ 1,500,000 gold by the Treasury, at 115.50 to 115.65.
6 Death of C. A. LAMONT, broker, by accident, N. Y.
8 Suspension of N. Y. Warehouse and Security Co.; capital $ 1,000,000.
9 Premium on gold reduced to 11¼.
9 Payment by GREAT BRITAIN of indemnity to UNITED STATES, $15,500,000.
11 Sale of $ 1,500,000 gold by the Treasury, at 111.26 to 111.61.
13 Failure of KENYON, COX & Co., brokers, Wall Street.
17 Suspension of N. Y. and Oswego Midland R. R. Co.
18 Sale of $ 1,500,000 gold by the Treasury withdrawn; suspension of JAY COOKE & Co., etc.; panic in stocks.
19 Suspension of FISK & HATCH, and others; stock panic continued.
20 Suspension of Union Trust Co., National Trust Co., NATIONAL BANK, COMMONWEALTH, etc., and the UNION BANKING Co., Phila.; purchase of bonds by the Treasury, $ 2,467,000, at 109 to 111.
22 Panic somewhat quieted.
23 Suspension of HENRY CLEWS & Co., New York, and of three banks in Petersburg, VA.; panic renewed.
24 Suspension of HOWES & MACY, New York.
25 Sale of $ 1,500,000 gold by the Treasury (withdrawn).

NOTES ON THE MONEY MARKET.

New York, September 25, 1873.

Exchange on London, at sixty days' sight, 105½ @ 105¾ *for gold.*

The month of September, 1873, will be long remembered by financial men as one of the most disastrous of the present century. We are compelled to record the suspensions of numerous banking firms hitherto considered among the most wealthy and substantial in New York, Philadelphia and other cities. The series of disasters began on the 18th inst. by the suspension of Messrs. Jay Cooke and Co., New York and Philadelphia, followed on the 19th by that of Messrs. Fisk and Hatch, and on the 20th by those of the National Bank of the Commonwealth, the Union Trust Company, the National Trust Company and others.

The suspensions of leading stock brokers are the results of too extended business and of sudden and heavy calls from their creditors, while the ordinary channels for the negotiation of stocks and bonds were temporarily closed. Possessing ample securities to meet their liabilities, it is to be hoped that the suspended firms, or a large portion of them, will be able to resume business shortly.

In the meantime, the losses and inconvenience created to the country correspondents of the suspended firms will be very serious. The return of drafts under protest, and the immediate transfer of collection paper from failed firms to new ones will give serious trouble to a large number of country bankers and their customers.

The present is a lesson to country bankers which they will take advantage of, by dividing hereafter their New York accounts and retaining more at home. The undertaking by city bankers to pay interest on country balances is the most fruitful of disasters. It was one of the leading causes of trouble in the panic of 1857, and if persisted in will always lead to losses, because in a time of stringency the funds are loaned out "on call," and cannot at all times be realized. If these country balances could be more largely kept on hand in the city banks, instead of being loaned out, it would be better for all parties.

The suspension of the trust companies was unlooked for. These institutions were not created to be used as ordinary banks of deposit. The legislature intended that they should be used for trust funds and for deposits on time, and for deposits not subject to immediate call. Every trust company and every savings bank should receive deposits only on one condition, viz.: a notice of ten to thirty days of withdrawal.

These institutions receive deposits IN TRUST, and are supposed to invest on bond and mortgage and on reliable securities, and in such forms that the latter may be readily converted at the end of a month's notice, at least, otherwise the aims and objects of a savings bank are defeated. The latter should be made by written contract with depositors, secure from any sudden demand in consequence of a panic.

Fortunately for the savings institutions of this city, they hold thirty-three millions of government bonds and sixty millions in reliable stocks and bonds.

It would be difficult, under the existing phases of the money market, to give correct quotations of the current rates for money. Confidence (for a short time only, we hope) is lessened, and capitalists are wary in their investments. Hence large holders of bonds and shares find extreme difficulty in placing them at reasonable rates. The losses by those parties who have been compelled to sell out under the Stock Exchange rules have been not only enormous, but ruinous, in order to meet "demand loans."

One of the most lamentable results of the revulsion in the money market, is the stoppage (temporary only, we hope) of numerous manufactories, owing to the want of the ordinary banking aid. This stoppage of a half million of operatives is equivalent to a loss of a million of dollars per day.

The settlements between the banks are again promptly made, and the financial machinery of these institutions appeared to be working smoothly. There is no prevailing rate of interest for call loans; the transactions in this way continued to be made upon terms of mutual agreement between the parties interested. The Loan Committee of the Clearing-house Association have decided to issue an additional $ 10,000,000 of loan certificates; these are available for the immediate use of the banks/ connected with the Association. The Clearing-house Committee issued $ 2,500,000 in loan certificates, 24th, making a total thus far of $ 12,500,000. The banks have also agreed to buy up ten millions of government bonds of individual holders at the value say of three or four per cent. above the government price, and turning them into the Treasury at their own cost, draw out the greenbacks for the public use. The Assistant Treasurer purchased $ 2,611,750 United States 5-20 six per cent. bonds to-day at his previously established rates.

The banks of New York city have sustained fully the heavy demands upon them, by a wise policy of assisting those most hardly pressed, resulting in the suspension of one bank only. We reproduce the leading items for the year 1878 and prior years:

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$ 257,852,460 ..	$ 12,794,892 ..	$ 65,026,121 ..	$ 32,762,779 ..	$ 202,533,564 .	$ 466,987,787
Jan. 4, '68..	249,741,297 ..	12,724,614 ..	62,111,201 ..	34,134,391 ..	187,070,786 ..	483,266,304
Jan. 4, '69..	259,090,057 ..	20,736,122 ..	48,896,421 ..	34,379,609 ..	180,490,445 ..	585,304,799
Jan. 3, '70..	250,406,387 ..	31,166,908 .	45,034,608 ..	34,150,887 ..	179,129,394 ..	399,355,375
July 4.....	276,496,503 ..	31,611,330 ..	56,815,254 ..	33,070,365 ..	219,083,428 ..	562,736,404
Jan. 2, '71..	263,417,418 ..	20,028 846 ..	45,245,358 ..	32,153,514 ..	188,238,995 ..	467,692,982
July 3.....	296,237,959 ..	16,526,451 ..	71,348,828 ..	30,494,457 ..	243,308,693 ..	561,366,458
Jan. 1, '72..	270,534,000 ..	25,049,500 ..	40,282,800 ..	28,542,800 ..	200,409,800 ..	561,802,964
July 1.....	289,002,800 ..	22,795,500 ..	54,951,400 ..	27,416,100 ..	232,387,900 ..	485,973,837
Jan. 6, '73..	277,720,900 ..	19,478,100 ..	41,165,400 ..	27,613,800 ..	203,808,100 ..	642,834,841
Feb. 3	286,879,600 ..	18,612,200 ..	45,802,100 ..	27,501,000 ..	217,168,500 ..	661,411,941
Mar. 3.....	281,344,900 ..	16,370,500 ..	40,724,000 ..	27,601,300 ..	202,066,100 ..	818,260,202
April 7.....	273,534,000 ..	15,664,400 ..	31,940,500 ..	27,715,800 ..	187,687,000 ..	780,498,463
May 5.....	270,721,100 ..	18,677,800 .	40,051,700 ..	27,564,400 ..	196,471,900 ..	698,038,785
June 2.....	277,958,800 ..	19,482,000 ..	44,332,300 ..	27,447,100 ..	208,136,500 ..	454,272,030
July 7.....	286,905,800 ..	33,551,400 ..	48,168,000 ..	27,276,200 ..	232,369,400 ..	478,571,386
July 29.....	289,389,100 ..	31,249,300 ..	49,957,100 ..	27,225,100 ..	239,118,300 ..	547,225,952
Aug. 4.....	289,986,200 ..	30,272,200 ..	50,030,500 ..	27,188,000 ..	238,840,900 ..	465,712,370
" 11.....	290,758,100 ..	29,820,000 ..	49,002,300 ..	27,223,500 ..	237,123,100 ..	420,989,756
" 18.....	292,614,000 ..	27,644,100 ..	47,540,100 ..	27,222,700 ..	234,857,300 ..	431,024,238
" 25.....	289,931,800 ..	25,144,200 ..	45,532,400 ..	27,214,400 ..	227,691,300 ..	449,504,644
Sept. 1.....	288,883,000 ..	23,095,200 ..	44,729,300 ..	27,281,900 ..	220,390,300 ..	447,799,948
8.....	288,374,200 ..	21,767,000 ..	38,679,900 ..	27,355,500 ..	212,772,700 ..	553,727,902
15.....	284,536,200 ..	20,442,300 ..	36,717,200 ..	27,383,400 ..	207,317,500 ..	548,295,978
" 22.....	278,421,700 ..	18,844,600 ..	34,307,900 ..	27,414,200 ..	198,040,100 ..	654,392,916

From this statement, it appears that the loans were at their largest aggregate about the middle of August. The pressure from outside quarters and from City sources compelled the banks to reduce their volume of loans from 292 millions to 278 millions—their legal tenders having been reduced to 34 millions.

Compared with former years, the leading columns were as follows for the third week in September:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
1872, ...	..$ 280,845,300	..$ 12,399,500	..$ 44,467,000	..$ 27,668,100	..$ 201,127,800
1871, ...	.. 309,164,700	.. 9,572,100	.. 58,428,300	.. 30,201,200	.. 237,127,400
1870, ...	.. 267,087,617	.. 14,670,724	.. 49,417,936	.. 32,733,046	.. 191,066,202
1869, ...	.. 263,441,828	.. 13,968,481	.. 50,025,081	.. 33,996,081	.. 180,230,793
1868, ...	. 271,273,544	.. 12,603,483	.. 63,587,516	.. 34,050,771	.. 202,068,334
1867, ...	.. 251,918,751	.. 9,496,163	.. 55,991,526	.. 34,147,269	.. 181,439,410
1866, ...	.. 269,807,383	. 7,643,980	.. 87,896,021	.. 29,213,350	.. 223,336,785
1865, ...	.. 221,818,640	.. 13,643,182	.. 57,665,674	.. 10,645,697	.. 183,830,716
1864, ...	.. 185,896,837	.. 19,671,131	.. ——	.. 4,187,828	.. 145,816,096
1863, ...	.. 206,442,874	.. 30,064,614	.. ——	.. 5,375,586	.. 182,653,494
1862, ...	.. 165,057,113	.. 38,325,587	.. ——	.. 9,900,112	.. 157,914,771

The banks are paying out no currency except on checks for small sums. All transactions are made by checks certified as "good" through the clearing-house.

Sterling exchange is almost unsaleable. Good mercantile bills have sold as low as 102 during the present week. The most injurious effect upon the interests of the country at large is from the blockade now existing in the negotiation of bills against shipments, both foreign and domestic. It is to be hoped that means to obviate this difficulty may speedily be found.

Gold is selling at 11⅛ *a* 11⅝, but for actual legal tenders in hand a rate lower by about three per cent. may be quoted.

The Philadelphia banks have been under a pressure in the month of September, and have generally stood well against the demands of their creditors. The only suspension reported among the incorporated banks is the UNION BANKING COMPANY, corner of Chestnut and Fourth Streets, capital $200,000. We append their statements, with the usual comparison:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868.....	$52,002,304	.... $235,912	.... $16,782,432	.... $10,639,000	.... $36,621,274
" 4, 1869.....	50,716,999	 252,483	 13,210,397	 10,593,719	 38,121,023
" 3, 1870.....	51,662,662	 1,290,096	 12,670,198	 10,568,681	 38,890,001
" 2, 1871.....	51,861,827	 1,071,528	 12,653,166	 10,813,212	 38,660,403
" 1, 1872.....	55,631,723	 1,069,585	 11,228,988	 11,348,851	 42,049,757
July 1, "	59,659,324	 228,338	 13,952,002	 11,345,868	 50,021,793
Jan. 6, 1873.....	55,370,011	 424,458	 10,576,155	 11,331,579	 40,861,114
Feb. 3, "	57,062,437	 352,775	 10,599,532	 11,370,253	 42,120,451
Mar. 3 "	56,867,858	 271,544	 9,917,655	 11,389,972	 41,495,605
April 7, "	57,075,617	 130,936	 9,663,471	 11,475,119	 40,124,310
May 5, "	59,006,414	 238,944	 11,641,739	 11,438,679	 45,177,200
June 2, "	61,135,011	 116,089	 15,377,993	 11,434,591	 51,833,223
July 7, "	60,480,403	 322,626	 14,513,757	 11,431,847	 48,200,545
Aug. 4, "	59,923,183	 356,531	 15,227,709	 11,444,767	 48,255,437
" 25, "	59,714,370	 210,215	 13,391,000	 11,450,378	 45,395,053
Sept. 1, "	59,317,093	 208,580	 13,348,119	 11,454,680	 45,089,892
" 8, "	58,254,221	 205,780	 13,608,968	 11,440,920	 44,697,137
" 15, "	59,007,671	 271,973	 13,179,110	... 11,476,794	 44,363,277
" 22, "	58,109,410	 258,965	 12,432,254	 11,473,843	 43,018,525

The banks of Boston have stood safely throughout the excitement of the past few days. An active demand for money has prevailed in Boston for some weeks, and a steady reduction of balances is shown by the reports as below:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868....	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856.022
Jan. 4, 1869....	98,423,644	2,203,401	12.938.342	25,151,340	37,538,767
Jan. 3, 1870....	105,985,214	3,765.347	11,374,559	25.280,893	40,007,225
Jan. 2, 1871....	111.190.173	2,484,536	12,872.917	24,662,209	46,927,971
July 3	119,152.159	1,441.500	13,117,482	24.816,012	50 693,067
Jan. 1, 1872....	115,878,481	4,469,483	9,602,748	25.715,976	46,994,488
July 8........	112 164.800	2,740,100	9,471,800	24.877 000	48.875,500

The deposits (after this date) include the amount due to other banks.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1873...	122.872,700	2.075,400	11,122,500	25,614,400	74,113,500
Feb. 3........	125,088,700	2.253,300	11,507,300	25,485 800	77,272,500
Mar. 3........	124.390,400	1,015,100	11,185,600	25,457,500	74,833,700
April 7.......	120,001,600	922,600	8,939,300	25,519.400	64,623.200
May 5.......	117,501,100	1.401,100	9.191,600	25,625,700	65,809,400
June 2	117,959.600	1,269,200	11,406,800	25.445,100	69.422.860
July 7.......	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
Aug. 4.......	123,617,400	1,536,000	10,955,600	25.550,000	71,110,300
" 25.......	123,200,800	1,042,800	10,671,900	25,451,400	68,745,400
Sept. 1.......	123.417,600	1.121,500	10,733,200	25,490,200	68,625,500
" 8.......	124,068,000	1,006,300	10,071,300	25,544,500	67.662,400
" 15.	123.523,800	1,238,500	9,016,300	25,611,500	64,837,700
" 22.......	122,108,000	1 642.900	8,418,600	25,682,400	61,822,200

A special meeting of the Clearing House Association was held September 24th, and it authorized the Loan Committee to issue an additional ten millions of loan certificates to the associated banks. The following resolutions were unanimously adopted:

1. That all checks, when certified by any bank, shall be first stamped or written, "payable through the Clearing House."

2. That, in order to supply the public demand for legal-tender notes, and to renew impaired confidence, the Clearing House Committee be authorized to purchase any part of $10,000,000 of United States bonds, and to procure the redemption of the same by the Secretary of the Treasury: the loss or cost of the transaction to be divided among the New York Associated Banks, pro rata of the amount of their deposits respectively, as shown by the returns of last week; and that the Committee be authorized to assess the share of each bank by drafts in the usual manner.

3. That each member of the association consider himself a special committee to ascertain where such bonds can be had, to invite participation in this effort of every institution and individual in the community, and to report to J. D. Vermilye, chairman, to-day.

4. That the President of the United States and the Secretary of the Treasury be solicited, by telegraph, by the chairman of this association, to prepay the outstanding United States bonds which are due on January 1, 1874.

5. That, whereas, the banks composing the Clearing House Association, in order to allay public excitement and to restore impaired confidence, have united together by combining and averaging their aggregate resources, and, for that end, have generously relinquished for the common good whatever superiority in position any of them possessed over their associates; and,

Whereas, it would be manifestly unfair that any member declining to participate fully in the arrangements should derive fictitious credit and reputation in the business of the community by our self-sacrifice, therefore,

Resolved, That any member so conducting itself shall be reported to the manager of the Clearing House, who shall forthwith consider it expelled from this association, and checks upon it shall be drawn by presentation immediately, through a special agent appointed by him for that purpose on behalf of the whole number.

As we go to press, the telegraphic reports from the principal cities in the United States show that their banks are resorting to the expedient introduced by the banks of New York. Loan certificates are used to facilitate the settlement of daily balances in the bank clearing-houses; and there is generally a refusal to pay out legal-tender notes, except in very moderate amounts. The want of general confidence, so strikingly shown in this city, has put the banks upon the defensive; with what results to the business of the country we are but beginning to see. With an abundant wealth of grain and cotton ready to be poured upon a waiting market, the sudden stoppage of the machinery of commerce now threatens disaster to the mercantile interests. The flow of currency usual at this season, from New York to the West and South, in payment for produce coming forward, is completely stopped, and business in the staples of the country at a stand-still.

To show the more plainly how far are the causes of the existing panic from any want of real prosperity in the country at this time, we add the statements of our imports and exports at this port, an exhibit the most flattering that has been made for years past:

Foreign Imports at New York for Eight Months from January 1.

	1871.		1872.		1873.
Entered for consumption.......	$ 143,664,064	....	$ 141,994,041	....	$ 127,800 842
Entered for warehousing.......	102,483,304	....	138,845,932	....	91,817,219
Free goods........	19,875,945	....	30,149,545	....	62,293,994
Specie and bullion......	5,255,087	....	2,914,438	....	3,025,231
Total entered at port..........	$ 271,278,400	....	$ 313,903,956	....	$ 284,937,286
Withdrawn from warehouse...	85,735,447	....	112,706,798	... .	86,197,069

This footing is twenty-nine millions less than the corresponding figures for last year.

Exports from New York to Foreign Ports for Eight Months from January 1.

	1871.		1872.		1878.
Domestic produce................	$ 146,314,092	....	$ 139,152,085	....	$ 181,667,191
Foreign free goods..........	803,155	....	1,066,046	....	1,462,560
do. dutiable..................	5,324,890	....	6,765,093	....	6,323,142
Specie and bullion................	55,489,604	....	56,949,735	....	40,056,476
Total exports....................	$ 207,931,741	....	$ 203,932,949	....	$ 229,509,369
do. exclusive of specie.......	152,442,137	....	146,983,214	....	189,452,893

The statement for eight months shows an increase of forty-two and a-half millions in the exports, and a decrease of twenty-nine millions in the imports at this single port. If this proportion holds true of the other ports, we have had reason to expect the balance of trade soon to be very largely in our favor.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

VOL. VIII. THIRD SERIES. NOVEMBER, 1873. No. 5.

THE TRUE PRINCIPLES OF BANKING.

The recent revulsion in the money market and the panic among the banks are largely traceable to two causes: 1, to the policy of allowing interest on deposits; and 2, to an unwise reduction of the reserve funds of the banks. These causes have become more manifest within one or two years past. To these may be added an unprecedented amount of new loans on the market, for account of States, cities, counties, and railroads. In placing these bonds upon the market, the Western and Southern portions of the country became creditors, and drew largely upon the currency reserves of the Eastern cities.

These currency funds would, it is true, soon return to Wall Street in the ordinary current of trade; but a disturbance would exist for the time being, and affect the existing balances of the whole body of banks and bankers.

It was the incessant drain upon Wall Street for currency in August and September, for account and use of country bankers, which lessened the strength of New York City banks and bankers; and operated most powerfully upon those having the largest business and the most extended credits. The New York City banks held in July, 1873, deposits of country banks and bankers.. $ 100,000,000
City bankers held (*it is estimated*) as much more...... 100,000,000

$ 200,000,000

in addition to about one hundred millions of deposits for mercantile houses and others. It then became the manifest duty of our city banks and bankers, for their own protection and safety, to lessen their loans and thereby to increase their reserve.

Assuming these deposits to be, in bulk, three hundred millions of dollars, the banks might rightly assume that they would, in case of a stringency or a panic, be liable to calls for about one hundred millions.

But the banks of the city had most unwisely lessened their legal reserve from eighty-seven millions, in September, 1866, to thirty-four millions in September, 1873. They allowed their legal tender reserve to fall to sixty-five millions in January, 1867; sixty-two millions in January, 1868; to forty-eight millions in January, 1869; forty-five millions in January, 1870; forty millions in January, 1872; and to forty-one millions in January, 1873. This, too, in view of an increase in deposits from 180 millions in January, 1869, to 237 millions in August, 1873. Certainly, if eighty-seven millions were scarcely adequate in September, 1866, a reserve of thirty-four to fifty millions in 1873 was entirely too low, in the face of accumulating liabilities.

This increase of cash liabilities, mainly for account of country bankers, whose surplus or available funds were kept in Wall Street for daily use, has been largely owing to the vicious policy of claiming (and receiving) interest on deposits. The deposits of forty-five hundred country banks and bankers in the banks of Wall Street, were made largely under the plea of realizing an interest on these daily or weekly balances; but the creditors forgot, in many instances, that in order to compensate themselves for this outlay of interest the New York City banks must (IN THEIR OWN DEFENSE) loan out these identical funds to the extent of seventy or eighty per cent.

Thus, a New York house having deposits from the country of $ 1,000,000, on which they would pay four (or five) per cent. interest annually, would feel compelled to loan out about four-fifths (or $ 800,000) at market rates in order to indemnify itself for the payment of interest. If the 4500 country bankers, owing to any unusual or excessive demand at home, draw largely or generally on their New York balances, they find, at their cost, that these funds have to accomplish double purposes, viz.: loans at home and loans in Wall Street. The whole system is a pernicious one, and fraught with danger both to the city banker and to the country banker.

This danger arises from the constant temptations which exist in New York, to loan too largely to new and vast enterprises in the new States. If our readers will refer to page 279 of our last number, they will see, in three lines, one potent cause of a panic. The railroads of the UNITED STATES were last year increased to the extent of 6467 miles; while those of the year 1873 will perhaps approach the same immense length. Assuming these as only (together) 10,000 miles, at an average cost of $ 55,000 per mile (see page 276), we

find that a capital of five hundred and fifty millions is demanded in order to construct them.

It is true that about one-half of this vast sum is raised (or paid) in bonds to run some ten, twenty or thirty years; and it is also true that a very large portion is placed (or has been placed) upon the European markets; but yet the fact stares us in the face that the builders and promoters of these 10,000 miles must inevitably draw, first or last, upon Wall Street for the cost of construction.

To show how this drain upon country bank deposits in Wall Street disturbs all the parties,* (debtors and creditors,) it is necessary to mention only one case of recent occurrence. A prominent banking concern in Nassau Street had held throughout the year 1873, (March to July), an average of three millions of such deposits, which would not, in the course of three or four ordinary years, vary twenty per cent. From the middle of September to the middle of October, 1873, their deposits fell to $ 650,000, a reduction of OVER SEVENTY PER CENT. in thirty or forty days.

THE HOUSE STILL STANDS. We mention it as one of a long series of cases, in and near Wall Street, wherein numerous parties fell a sacrifice to TOO MUCH BUSINESS. It was such sudden calls of magnitude that compelled such old and wealthy firms as HOWES & MACY, HENRY CLEWS & CO., JAY COOKE & CO., FISK & HATCH, GILMAN, SON & CO., KENYON COX & CO. and others to suspend, with surplus profits on their books to the extent of millions, nominally.

Let the following extract from the New York *Tribune* of the 16th of October, be a remark applicable to numerous cases in New York, Philadelphia and other cities, in the months of September and October, 1873:

The most important of the failures yesterday was GILMAN, SON & CO., *of No.* 47 *Exchange Place. They were an old and conservative house, and had been highly esteemed in the street. They had large balances due to many correspondents throughout the country, and having used their money in proper channels of trade and finance* IN ORDER TO EARN THE INTEREST THEY PAID TO THEIR CUSTOMERS, *they were unable to obtain their money when it was needed.*

Another accompaniment of this financial weakness in Wall Street, is the force of example. The South and West (we may say the whole country), take their tone from New York City. Thus the national banks of the country, in their aggregate condition, in 1866 and 1873, reported as follows:

	Deposits.		*Legal Reserve.*		*Specie.*
January, 1866......	$ 668,000,000	..	$ 187,000,000	..	$ 16,909,000
April, 1873.........	780,000,000	..	99,000,000	..	16,800,000

* Four parties at least, viz.: 1st, the depositors in the country bank; 2d, the country bank itself, whose funds in New York are reloaned ON CALL to many who cannot respond; 3d, the Wall Street banker, who is driven to the wall, because his country correspondents and creditors are themselves sorely pressed and demand their money; 4th, the city customers of the Wall Street banker, who have borrowed 75 per cent. on stocks, and which stocks are sold out at 50 or 60 cents.

With 120 millions of additional deposits, they held less than 100 millions of legal reserve. During this long interval they held at various times, from thirty to forty-eight millions of specie, besides 100 or 150 millions in gold received from the public treasury and sold, every dollar of which should have been husbanded for an early resumption of specie payments.

Now, if the banks of New York desire to keep themselves and their customers in a safe condition hereafter, and to give a healthy tone to the banking interests and to the commercial phases of the country, they will AT ONCE set themselves to a resumption of their position, as in the years 1866, 1868, and 1870, by restoring their legal reserve to eighty or ninety millions of dollars, or an average of thirty-three cents to each dollar of liabilities. To be sure this will curtail their profits temporarily, but it will secure steadiness in the market in future years. If this had been done early in 1873, the banks could have stood any combined pressure on the part of their whole body of creditors, from Bangor on the east to San Francisco on the west.

There are two other causes of the late crisis, of a minor character, which should not be overlooked in legislation hereafter. The experience of the past should serve as a caution for the future. We allude to the business undertaken by our local trust companies, whereby they have all placed themselves in jeopardy and some have gone into bankruptcy. Such companies were not intended by the legislature to assume the reception of heavy deposits repayable AT CALL and thus to compete with the chartered banks, whose objects and operations are of an entirely different nature from those of a trust company. The business of a trust company is clearly indicated by its title, and should be confined to the reception of deposits on time, and no deposit to be withdrawn under less than thirty or sixty days' notice. The very fact of paying interest on deposits shows that such monies are to be invested in bonds and mortgages and other securities, which ordinarily require time for their conversion (without depreciation or loss) into cash when the funds are demanded.

The second minor cause of disturbance is produced by the usury laws. These are still in force in the State of New York, notwithstanding the experience of the last fifty years has clearly demonstrated that such laws are an obstacle to the free use of capital. They interfere at all times with the interests of both borrowers and lenders; but they are peculiarly oppressive in a time of panic or stringency, when many capitalists will not loan at legal rates, and will not violate the law by lending at larger rates, or rates commensurate with the extra hazards existing during a revulsion. If our banks were allowed, (as in the case of the BANK OF ENGLAND,) to advance their rates of discount to eight, nine, ten or twelve per cent. in periods of emergency, needy borrowers could be supplied to meet temporary wants from their creditors.

Lombard street is not afflicted with the panics, the revulsions and the dangers which Wall Street has exhibited almost every month of the past two years. Paris (whether under suspension, as at present,

or paying specie as in 1870) exhibits no such financial distress. The following are, in brief, the chief items of Paris and London:

	Deposits.		*Circulation.*		*Specie.*
BANK OF ENGLAND....	$ 120,000,000	..	$ 80,000,000	..	$ 125,000,000
BANK OF FRANCE.....	60,000,000	..	*560,000,000	..	140,000,000
NEW YORK...........	200,000,000	..	† 27,000,000	..	‡ 34,000,000

To the 120 millions of deposits in the BANK OF ENGLAND should be added eighty millions sterling, or 400 millions, for the Joint Stock banks of London.

Thus, New York, with a slender reserve of thirty-four millions, has to bear the brunt of demands of creditors in this city, and those of the whole UNITED STATES. Those who wish to examine these comparative tables more fully will find them in full in the *Banker's Almanac* for 1873, pp. 218 to 224 and 250, 251. In order to illustrate more fully this admirable policy of the BANK OF ENGLAND, with reference to its agency in the finances and the commerce of that country, we give to our readers another chapter of Mr. BAGEHOT's work on *Lombard Street—a description of the Money Market*, recently republished in this city.

COIN AND CURRENCY IN EUROPE.

The following table represents the circulation and the coin reserve of several of the leading banking institutions of the continent.

	Circulation.		*Loans.*		*Coin.*
Prussian Bank........	£ 40,000,000	....	£ 29,000,000	....	£ 36,000,000
Austrian National B'k.	33,700,000	....	21,500,000	....	14,500,000
Nat. Bank of Belgium.	13,300,000	....	10,300,000	....	5,700,000
Netherlands Bank.....	13,300,000	....	9,000,000	....	8,500,000

A London cotemporary remarks upon the recent crisis in New York:

"Two considerations present themselves as the inevitable conclusion from the present crisis; the first is, that the £3,000,000 Alabama indemnity, over which so much turmoil and trouble were expended, is a small item when compared with the commercial prosperity of a great country; it has been absorbed in a day in the present pressure. The second is, that railway and other enterprises ought to be confined within the bounds of the actual capital subscribed for the particular line, or within the capital ability of the financing firm. It is because both these elements of safety have been disregarded that the present reaction is both sudden and severe."

While we are on this subject we may with advantage to our readers submit the following remarks by the New York *Evening Post*, under date October 9th:

"Our own explanation of the facts is, that we have gone on making money much faster than we have made value, and that prices have gone up because we had more money than we could use rightly, and we are a little surprised when a leading banker tells us that in reality

* Total for all FRANCE. † 700 millions for the UNITED STATES.
‡ Legal tender paper money and add eighteen millions specie.

we have less money than we can use, and want a new issue of inconvertible paper. Unless our whole reading of political economy, and our entire observation of the experiences of nations at home and abroad are faulty, this doctrine is unsound. Being unsound, it is dangerous. It is likely to lead to a continuation of the very policy which has brought about the late derangements, and which will keep us in an unsettled and feverish condition if it be not arrested. It is particularly dangerous at this time, when a glorious and not-to-be-neglected opportunity is presented to the country for recovering from an evil habit and getting back to a sound and healthful state. Now is the time—or else not for twenty years to come—to infuse into the mediums of circulation that specific of which Senator SHERMAN, forgetting his party politics for a time, was compelled to say:

"*In all ages and in all countries it has got to be an axiom in financial matters that gold alone is the standard of value, and the planetary laws which govern the universe are not more fixed and absolute in their sway than that law which demands that everything must be measured by the gold standard.*

"We do not mean to urge that the payment of specie is to be resumed at once, now that the banks do not always pay paper, BUT WE DO MEAN TO SAY THAT THE RESOLUTION TO RESUME SHOULD BE RESUMED AT ONCE; THAT OUR EYES SHOULD BE TURNED TO THE GOAL OF RESUMPTION, AND ONLY TOWARDS THAT GOAL; AND THAT ALL ARGUMENTS AND ALL PLANS AND ALL SUGGESTIONS WHICH LOOK TO THE INFLATION OF THE PAPER MEDIUM, AND NOT TO THE GRADUAL RESTORATION OF THE ACKNOWLEDGED STANDARD OF THE WORLD, ARE TO BE DEPRECATED."

LONDON JOINT STOCK BANKS.

Reports for Half-year, 30th June, 1873, compared with the three preceding Half Years.

The following table shows the deposits and the paid-up capital and reserve of the several Joint Stock banks of London, June 30, 1873:

(0,000's omitted—thus 28,38 — £ 28,380,000, and 10 — £ 100,000.)

Banks, and when Founded.	*Deposits, Cash.* 1873. 30 *June.*	1872. 31 *Dec.*	1872. 30 *June.*	1871. 31 *Dec.*	*Capital paid up and Reserve.* 1873. 30 *June.*	1872. 31 *Dec.*	1872. 30 *June.*	1871. 31 *Dec.*
Lon. & Westmster. '34	£ 28,38	£ 28,66	£ 25,83	£ 26,22	£ 3,00	£ 3,00	£ 3,00	£ 3,00
London Joint Stock '36	17,40	18,54	20,93	17,79	1,67	1,66	1,65	1,64
Union .... '39	13,37	15,18	14,04	13,80	1,78	1,62	1,50	1,50
City .... '55	3,05	3,18	3,11	2,78	75	62	61	60
Imperial .... '62	2,24	2.16	2,33	2,25	74	63	51	50
Alliance, Limited.. '62	1,82	1,78	2,16	1,46	94	91	89	87
Consolidated ...... '63	2,99	2,91	2,89	2,48	88	87	86	85
Central, Limited... '63	67	65	59	55	11	10	10	10
Metropolitan, Lim. '66	22	23	42	68	18	18	18	21
Lon. & S. Western. '62	73	72	66	61	17	17	17	18
London & County. '36	17,82	16,97	16,87	16,11	1,80	1,63	1,50	1,50
	£ 88,69	£ 90,98	£ 89,83	£ 84,73	£11,82	£11,38	£10,97	£10,95

There are numerous and influential journals in this country which take a clear and sober view of the causes of the recent panic; and having now a broad view of these causes, we may hereafter avoid them. For instance, the Philadelphia *North American* justly remarks:

"In financial crises under the old order of things a conjunction of two elements always occurred. Each of these elements by itself tended directly to heighten the excitement, but in conjunction they wrought speedy ruin to the entire business fabric. One of these elements consisted in the fear that seized upon the class known as depositors, and was therefore local and limited in scope. The other consisted in the frenzy of the note holders—a class including nearly everybody—and was therefore universal. During the late panic this latter feature was wholly absent. The great army of note holders experienced no frenzy whatever. Every man knew that a dollar was worth as much in the height of the panic as it was ten days before. No man refused the tender of notes for the satisfaction of debt. On the contrary, there was a frantic struggle to get hold of National currency, which struggle continues almost unabated to this day." . . . .

"The access of panic failed to mobilize and distract the note holder for the sufficient reason that every note was backed by the credit of the nation. At the same time the banking basis is not imminently, but constructively, gold. Every particle of bank paper afloat rests upon the solid basis of national credit. Every man of intelligence knows that there is not, by many millions, gold enough to redeem the currency. But as the ability and willingness of the nation to lift its indebtedness as fast as the evidences mature is not doubted, confidence in the medium of exchange is unimpaired. Hence the control of the currency by the government has proved an insuperable barrier to the worst effects of financial revulsion."

In other words, the paper currency being under National control backed by National bonds and credit, had no part in producing the revulsion, but that the currency now known as "deposits," which play such an important part in the commercial and financial world, was in fact the primary and the leading cause.

This immense volume of deposits, which is moved and movable every day and every hour of every day, amounted in April last to more than 1000 millions of dollars, payable on demand, viz.:

National Banks		$800,000,000
State Banks	about	200,000,000
Private Banks	"	500,000,000

There being some 4500 banks in operation at the commencement of the recent panic, or when the first heavy failures occurred, each bank and banker throughout the country sought in self-defence or self-protection to fortify itself with currency to meet fresh demands from their depositors. This combined movement soon exhausted the cash resources of the New York banks, which were not prepared to meet such sudden and heavy calls, and the banks of this city and

other cities were soon crippled in their action. Had the savings banks been liable also to such sudden calls on their deposits, amounting to 700 millions, they also would have been compelled to suspend; but they have generally the option of asking a notice of 30 or 60 days for such withdrawal. These facts, which cannot be disputed, demonstrate clearly to the city banks and to the country banks that a broader basis or reserve should be maintained by the former hereafter. We think this should be insisted upon by both parties, for the sake of safety to both, and with a view to a more uniform condition of the money market. The city banks should never allow their reserve of notes to fall below twenty-five per cent. of their cash liabilities; and, although circumstances may arise whereby such reserve may for the moment fall below such average, it should be the duty of the Clearing House to enforce such rule, and that each bank (and every bank) shall cease new loans until they are stronger and recover their proper average.

Until this rule is adopted and in force (in the face of outcries for fresh loans to speculative parties) the business of the country, foreign and domestic, (as well as the credit of the country abroad) will be liable to revulsions and permanent injury. All experience in this country as well as in ENGLAND and elsewhere, demonstrates that there is one sound principle of banking that should always be maintained, whether the liabilities be small or large, viz.: a strong cash reserve or percentage of cash to liabilities. This point is well put in a recent volume by Mr. PALGRAVE, ample extracts from which are contained in the present number of the BANKER'S MAGAZINE. He says (page 77):

An average of twenty-five to thirty per cent. of the liabilities, HELD IN READY MONEY, *cannot be considered other than a very fair proportion.*

A NEW PERIL TO AMERICAN RAILWAY INVESTORS.—We have given above a brief statistical account of the American railway system; but it will be understood, of course, that the principal difficulties attending investments in AMERICA are not those caused by the lack of profitable opportunities, but by social and polical mischiefs which permit the occurrence of such a scandal as that of the Erie railway. We fear we must now add the danger of direct legislative attacks on property. The ILLINOIS Legislature has just passed an act against discriminating rates, which, undoubtedly, constitutes such an attack. According to the short official summary of the act, section 1 is to the effect that more than a "fair and reasonable" rate is declared extortionate; by section 2, "unjust discrimination" in rates is declared a violation of the act; and, by section 3, it is provided that discriminating rates, charges, collections, or receipts, directly or by rebate, drawback, or other shift or evasion are to be *prima facie* evidence of unjust discrimination. The whole effect of the act is to compel a proportionate charge according to distance, to this extent, that no greater charge can be made for a particular distance than happens to be made for a longer distance which includes it; and the intention of the act is made apparent by the explicit refusal to allow as an excuse for charging less in some cases for a long than for a short distance the fact that there is competition between the more distant points.—*Economist.*

DIVIDENDS OF THE BOSTON BANKS.

1. Capital of each bank. 2. Dividends and market values of shares in April and October, 1873. 3. Surplus fund of each in June, 1873.

Name of Bank.	*Capital.*	*Dividends, 1878. Apl.*	*Dividends, 1878. Oct.*	*Shares, 1873. Apl.*	*Shares, 1873. Oct.*	*Surplus Profits. June, 1873.*
Merchants' National	$ 3,000,000	5	5	135	138	$ 1,116,793
Nat. B. of Commerce	2,000,000	5	5	129	129	620,000
Tremont National	2,000,000	5	4	127½	129	177,128
State National	2,000,000	4	3	109	110	94,807
National Revere	2,000,000	4½	4	121	122½	400,000
Second National	1,600,000	6	6	150	150	600,000
Nat. Bank of Republic	1,500,000	5	4	130	129	300,000
Nat. Hide & Leather	1,500,000	4	4	115½	115	108,000
Suffolk National	1,500,000	5	5	130	130	200,000
Atlas National	1,500,000	4	3	117⅜	119	250,000
National Webster	1,500,000	4	3	108	105½	115,500
Blackstone National	1,500,000	6	5	150	149	400,000
First National	1,000,000	6	6	198	200	1,000,000
Nat. B. of Redemption	1,000,000	5	5	142	147	200,000
North National	1,000,000	4	4	123	129	200,000
National Exchange	1,000,000	6	6	176	178	731,156
Eliot National	1,000,000	5	4	122	125	200,000
New England Nat'l	1,000,000	5	5	140	142	400,000
National City	1,000,000	4	3½	114	114	85,911
Shoe & Leather Nat'l	1,000,000	6	4½	140	143	230,701
Nat. B. of N. America	1,000,000	4	3	113	112	88,922
Faneuil Hall National	1,000,000	5	5	141½	145	250,000
Globe National	1,000,000	5	5	130	128¼	250,000
National Union	1,000,000	6	6	150	153	500,000
National Eagle	1,000,000	4	4	114	119	200,000
Columbian National	1,000,000	5	5	133	131	350,000
Boston National	1,000,000	5	4	125	126	160,000
Shawmut National	1,000,000	5	4	126	126	200,000
Continental National	1,000,000	4	3	113	110	185,000
Howard National	1,000,000	4½	4	114½	117	100,000
Old Boston National	900,000	6	5	75¼	77	180,000
Market National	800,000	4	4	112½	112	75,823
Massachusetts Nat'l	800,000	5	4	125	130	200,000
Washington National	750,000	6	5	143	145	263,001
Atlantic National	750,000	6	6	137	137	232,000
Hamilton National	750,000	5	4	126	126	150,000
Traders' National	600,000	4	3½	115	114	105,981
Freeman's National	800,000	5	4	131	133	201,000
Boylston National	600,000	7	5	150	150	125,000
N. B. Commonwealth	500,000	4	3	124	124	70,000
Maverick National	400,000	5	4½	126	126	80,000
Third National	300,000	4	4	145⅛	124	145,510
People's National	300,000	7	7	155	155	——
National Rockland	300,000	7	7	162	162	——
Mechanics' National	250,000	6	5	130	130	56,500
Broadway National	200,000	0	4	125	125	18,331
Everett National	200,000	5	5	136	137	60,000
Mount Vernon Nat'l	200,000	5	4	130	129	40,000
National Security	200,000	4	4	130	135	65,000
Blue Hill National	200,000	5	4	125	119	——
Eleventh Ward Nat'l	300,000	4	–	106	103	5.245
Central National	500,000	–	–	—	—	——
Totals	$50,200,000					$ 11,787,309

BANKS AND TAXATION.

Under the new law of MASSACHUSETTS the National banks of Boston, with two exceptions,* will pay their entire municipal tax direct to the city, at the rate of $ 12.80 per $ 1000 of taxable value, May 1. The tax on shares not owned in Boston is then passed over to the State Tax Commissioner, who will apportion it among the several towns and cities where shareholders reside. The balance of the tax, against non-residents and parties whose location cannot be determined, will accrue to the State Treasury. The aggregate tax amounts to $ 768,883.20, or an average of 1.55 per cent. on $ 49,800,000 taxable bank capital, at its par value.

Banks.	*Tax.*	*Per cent.*
Atlantic	$ 11,904	1.59
Atlas	21,696	1.45
Blackstone	25,536	1.70
Blue Hill	2,918	1.46
Boston (old)	14,285	1.59
Boston National	15,360	1.54
Boylston	11,443	1.91
Broadway	3,072	1.54
City	12,928	1.29
Columbian	16,896	1.69
Commerce	31,232	1.56
Commonwealth	7,808	1.56
Continental	13,824	1.38
Eagle	14,336	1.43
Eleventh Ward	3,917	1.30
Eliot	14,976	1.50
Everett	3,302	1.65
Exchange	22,414	2.24
Faneuil Hall	16,640	1.66
First National	20,992	2.10
Freeman's	13,210	1.65
Globe	16,000	1.60
Hamilton	11,616	1.55
Hide and Leather	21,120	1.41
Howard	14,080	1.41
Market	11,059	1.38
Massachusetts	12,288	1.54
Maverick	$ 6,246	1.56
Mechanics'	3,808	1.52
Merchants'	40,704	1.36
Mount Vernon	3,277	1.64
New England	14,336	1.43
North	15,616	1.56
North America	13,952	1.40
People's	5,760	1.92
Redemption	17,792	1.78
Republic	22,656	1.51
Revere	29,952	1.50
Rockland	5,952	1.98
Second National	29,286	1.83
Security	3,456	1.73
Shawmut	16,000	1.60
Shoe and Leather	16,000	1.60
State	27,392	1.37
Suffolk	19,776	1.32
Third National	5,491	1.83
Traders	8,448	1.41
Tremont	28,416	1.42
Union	18,304	1.83
Washington	13,440	1.79
Webster	18,240	1.22
Total tax	$ 768,883	

Three new banks have been established the past six months. The CENTRAL NATIONAL, capital $ 500,000, commenced business May 6; the MANUFACTURERS' NATIONAL, $ 500,000, July 1, and the FIRST WARD NATIONAL (East Boston), June 1, with $ 200,000 capital; but neither of them went into operation in season to be taxed this year. The BLUE HILL increased its capital, May 20th, from $ 200,000 to $ 300,000, and pays now on the latter sum.

Of the fifty-four banks in Boston, two pay 7 per cent., five 6 per cent., fourteen 5 per cent., two 4½ per cent., nineteen 4 per cent., two 3½ per cent., six 3 per cent., and one not declared. The average percentage is 4.41 per cent. (and including tax, 5.96 per cent.), against 4 95 the previous six months. There are three new banks not yet on the dividend list.

* COMMERCE and ROCKLAND.

THE PRINCIPLES WHICH SHOULD REGULATE THE AMOUNT OF THE BANKING RESERVE TO BE KEPT BY THE BANK OF ENGLAND.

Lombard Street; a Description of the Money Market. By WALTER BAGEHOT. *London:* H. S. KING & CO.

We extract the following from a book on Lombard Street, just published, by MR. WALTER BAGEHOT, as it contains in a connected form what, less systematically, has often been laid before our readers:

There is a very common notion that the amount of the reserve which the BANK OF ENGLAND ought to keep can be determined at once from the face of their weekly balance sheet. It is imagined that you have only to take the liabilities of the banking department, and that a third or some other fixed proportion will in all cases be the amount of reserve which the bank should keep against those liabilities. But to this there are several objections, some arising from the general nature of the banking trade, and others from the special position of the BANK OF ENGLAND.

That the amount of the liabilities of a bank is a principal element in determining the proper amount of its reserve is plainly true; but that it is the only element by which that amount is determined is plainly false. The intrinsic nature of these liabilities must be considered, as well as their numerical quantity. For example, no one would say that the same amount of reserve ought to be kept against acceptances which cannot be paid except at a certain day, and against deposits at call, which may be demanded at any moment. If a bank groups these liabilities together in the balance-sheet, you cannot tell the amount of reserve it ought to keep. The necessary information is not given you.

Nor can you certainly determine the amount of reserve necessary to be kept against deposits unless you know something as to the nature of these deposits. If out of £3,000,000 of money, one depositor has £1,000,000 to his credit, and may draw it out when he pleases, a much larger reserve will be necessary against that liability of £1,000,000 than against the remaining £2,000,000. The *intensity* of the liability, so to say, is much greater; and therefore the provision in store must be much greater also. On the other hand, supposing that this single depositor is one of calculable habits—suppose that it is a public body, the time of whose demands is known, and the time of whose receipts is known also—this single liability requires a less reserve than that of an equal amount of ordinary liabilities. The danger that it will be called for is much less;

and therefore the security taken against it may be much less too. Unless the quality of the liabilities is considered as well as their quantity, the due provision for their payment cannot be determined.

These are general truths as to all banks, and they have a very particular application to the BANK OF ENGLAND. The first application is favorable to the bank; for it shows the danger of one of the principal liabilities to be much smaller than it seems. The largest account at the BANK OF ENGLAND is that of the English Government; and probably there has never been any account of which it was so easy in time of peace to calculate the course. All the material facts relative to the English revenue, and the English expenditure, are exceedingly well known; and the amount of the coming payments to and from this account are always, except in war times, to be calculated with wonderful accuracy. In war, no doubt, this is all reversed; the account of a government at war is probably the most uncertain of all accounts, especially of a government of a scattered empire like the English, whose places of outlay in time of war are so many and so distant, and the amount of whose payments is therefore so incalculable. Ordinarily, however, there is no account of which the course can be so easily predicted; and therefore no account which needs in ordinary times so little reserve. The principal payments, when they are made, are also of the most satisfactory kind to a banker; they are, to a great extent, made to another account at his bank. These largest ordinary payments of the Government are the dividends on the debt, and these are mostly made to bankers who act as agents for the creditors of the nation. The payment of the dividends for the Government is, therefore, in great part a transfer from the account of the Government to the accounts of the various bankers. A certain amount no doubt goes almost at once to the non-banking classes; to those who keep coin and notes in house, and have no account at any bank. But even this amount is calculable, for it is always nearly the same. And the entire operation is, to those who can watch it, singularly invariable time after time.

But it is important to observe, that the published accounts of the bank give no such information to the public as will enable them to make their own calculations. The account of which we have been speaking is the yearly account of the English Government—what we may call the Budget account, that of revenue and expenditure. And the laws of this are, as we have shown, already known. But under the head "Public Deposits," in the accounts of the bank, are contained also other accounts, and particularly that of the Secretary for INDIA in Council, the laws of which must be different and are quite unknown. The Secretary for INDIA is a large lender on its account. If any one proposed to give such power to the Chancellor of the Exchequer, there would be great fear and outcry. But so much depends on habit and tradition, that the India Office on one side of Downing Street can do without remark, and with universal assent, what it would be thought "unsound" and extravagant to propose that the other side should do. The present India Office in-

herits this independence from the old Board of the Company, which, being mercantile and business-like, used to lend its own money on the Stock Exchange as it pleased; the Council of INDIA, its successor, retains the power. Nothing can be better than that it should be allowed to do as it likes; but the mixing up the account of a body which has such a power, and which draws money from INDIA, with that of the home government clearly prevents the general public from being able to draw inferences as to the course of the combined account from its knowledge of home finance only. The account of "public deposits" in the bank return includes other accounts too, as the savings' bank balance, the Chancery Funds account, and others; and in consequence, till lately the public had but little knowledge of the real changes of the account of our government, properly so called. But Mr. LOWE has lately given us a weekly account, and from this, and not from the bank account, we are able to form a judgment. This account and the return of the BANK OF ENGLAND, it is true, unhappily appear on different days; but except for that accident our knowledge would be perfect; and as it is, for almost all purposes what we know is reasonably sufficient. We can now calculate the course of the government account nearly as well as it is possible to calculate it.

So far, as we have said, an analysis of the return of the BANK OF ENGLAND is very favorable to the bank. So great a reserve need not usually be kept against the government acccunt as if it were a common account. We know the laws of its changes peculiarly well: we can tell when its principal changes will happen with great accuracy; and we know that at such changes most of what is paid away by the government is only paid to other depositors at the bank, and that it will really stay at the bank, though under another name. If we look to the private deposits of the BANK OF ENGLAND, at first sight we may think that the result is the same. By far the most important of these are the "Bankers' deposits;" and, for the most part, these deposits as a whole are likely to vary very little. Each banker, we will suppose, keeps as little as he can, but in all domestic transactions payment from one is really payment to the other. All the most important transactions in the country are settled by cheques; these cheques are paid in to the "clearing house," and the balances resulting from them are settled by transfers from the account of one banker to another at the BANK OF ENGLAND. Payments out of the bankers' balances, therefore, correspond with payments in. As a whole, the deposit of the bankers' balances at the BANK OF ENGLAND would at first sight seem to be a deposit singularly stable.

Indeed, they would seem, so to say, to be better than stable. They augment when everything else tends to diminish. At a panic, when all other deposits are likely to be taken away, the bankers' deposits augment; in fact they did so in 1866, though we do not know the particulars; and it is natural that they should so increase. At such moments all bankers are extremely anxious, and they try to

strengthen themselves by every means in their power; they try to have as much money as it is possible at command; they augment their reserve as much as they can, and they place that reserve at the BANK OF ENGLAND. A deposit which is not likely to vary in ordinary times, and which is likely to augment in times of danger, seems, in some sort, the model of a deposit. It might seem not only that a large proportion of it might be lent, but that the whole of it might be so. But a further analysis will, as I believe, show that this conclusion is entirely false; that the bankers' deposits are a singularly treacherous form of liability; that the utmost caution ought to be used in dealing with them; that, as a rule a less proportion of them ought to be lent than of ordinary deposits.

The easiest mode of explaining anything is, usually, to exemplify it by a single actual case. And in this subject, fortunately, there is a most conspicuous case near at hand. The German Government has lately taken large sums in bullion from this country, in part from the BANK OF ENGLAND, and in part not, according as it chose. It was in the main well advised, and considerate in its action; and did not take nearly as much from the bank as it might, or as would have been dangerous. Still it took large sums from the bank; and it might easily have taken more. How then did the German Government obtain this vast power over the bank? The answer is that it obtained it by means of the bankers' balances, and that it did so in two ways.

First, the German Government had a large balance of its own lying at a particular Joint Stock bank. That bank lent this balance at its own discretion, to bill-brokers or others, and it formed a single item in the general funds of the London market. There was nothing special about it, except that it belonged to a foreign government, and that its owner was always likely to call it in, and sometimes did so. As long as it stayed unlent in the LONDON JOINT STOCK BANK, it increased the balances of that bank at the BANK OF ENGLAND; but so soon as it was lent, say, to a bill-broker, it increased the bill-broker's balance; and as soon as it was employed by the bill-broker in the discount of bills, the owners of those bills paid it to their credit at their separate banks, and it augmented the balances of those bankers at the BANK OF ENGLAND. Of course if it were employed in the discount of bills belonging to foreigners, the money might be taken abroad, and by similar operations it might also be transferred to the English provinces or to Scotland. But, as a rule, such money when deposited in London, for a considerable time remains in London; and so long as it does so, it swells the aggregate balances of the body of bankers at the BANK OF ENGLAND. It is now in the balance of one bank, now of another, but it is always dispersed about those balances somewhere. The evident consequence is that this part of the bankers' balances is at the mercy of the German Government when it chooses to apply for it. Supposing, then, the sum to be three or four millions—and I believe that on more than one occasion in the last year or two it has been quite as much, if not

more—that sum might at once be withdrawn from the BANK OF ENGLAND. In this case the BANK OF ENGLAND is in the position of a banker who is liable for a large amount to a single customer, but with this addition, that it is liable for an *unknown* amount. The German Government, as is well known, keeps its account (and a very valuable one it must be) at the LONDON JOINT STOCK BANK; but the BANK OF ENGLAND has no access to the account of the German Government at that bank; they cannot tell how much German money is lying to its credit there. Nor can the BANK OF ENGLAND infer much from the balance of the LONDON JOINT STOCK BANK in their bank, for the German money was probably paid in various sums to that bank, and lent out again in other various sums. It might to some extent augment that bank's balance at the BANK OF ENGLAND, or it might not, but it certainly would not be so much added to that balance; an inspection of that bank's balance would not enable the BANK OF ENGLAND to determine even in the vaguest manner what the entire sum was for which it might be asked at any moment. Nor would the inspection of the bankers' balances as a whole lead to any certain and sure conclusions. Something might be inferred from them, but not anything certain. Those balances are no doubt in a state of constant fluctuation; and very possibly during the time that the German money was coming in some other might be going out. Any sudden increase in the bankers' balances would be a probable indication of new foreign money, but new foreign money might come in without causing an increase, since some other and contemporaneous cause might effect a counteracting decrease.

"This is the first, and the plainest way in which the German Government could take, and did take, money from this country; and in which it might have broken the BANK OF ENGLAND if it had liked. The German Government had money here and took it away, which is very easy to understand. But the Government also possessed a far greater power, of a somewhat more complex kind. It was the owner of many debts from ENGLAND. A large part of the 'indemnity' was paid by FRANCE to GERMANY in bills on ENGLAND, and the German Government, as those bills became due, acquired an unprecedented command over the market. As each bill arrived at maturity, the German Government could, if it chose, take the proceeds abroad; and it could do so in bullion, as for coinage purposes it wanted bullion. This would at first naturally cause a reduction in the bankers' balances; at least that would be its tendency. Supposing the German Government to hold bill A, a good bill, the banker at whose bank bill A was payable would have to pay it; and that would reduce *his* balance; and as the sum so paid would go to GERMANY, it would not appear to the credit of any other banker; the aggregate of the bankers' balances would thus be reduced. But this reduction would not be permanent. A banker who has to pay £100,000 cannot afford to reduce his balance at the BANK OF ENGLAND £100,000; suppose that his liabilities are £2,000,000, and that as a rule he finds it necessary to keep at the bank one-tenth of these liabilities, or £200,000, the payment

of £100,000 would reduce his reserve to £100,000; but his liabilities would be still £1,900,000, and therefore to keep up his tenth he would have £90,000 to find. His process for finding it is this, he calls in, say, a loan to the bill-brokers; and if no equal additional money is contemporaneously carried to these brokers (which in the case of a large withdrawal of foreign money is not probable), they must reduce their business and discount less. But the effect of this is to throw additional business on the BANK OF ENGLAND. They hold the ultimate reserve of the country, and they must discount out of it if no one else will: if they declined to do so there would be panic and collapse. As soon, therefore, as the withdrawal of the German money reduces the bankers' balances there is a new demand on the bank for fresh discounts to make up those balances. The drain on the bank is two-fold; first, the banking reserve is reduced by exportation of the German money, which reduces the means of the BANK OF ENGLAND; and then out of those reduced means the BANK OF ENGLAND has to make greater advances.

The same result may be arrived at more easily. Supposing any foreign government or person to have any sort of securities which he can pledge in the market, that operation gives it, or him, a credit on some banker, and enables it, or him, to take money from the banking reserve at the BANK OF ENGLAND and from the bankers' balances; and to replace the bankers' balances at their inevitable minimum the BANK OF ENGLAND must lend. Every sudden demand on the country causes, in proportion to its magnitude, this peculiar effect. And this is the reason why the BANK OF ENGLAND ought, I think, to deal most cautiously and delicately with their banking deposits. They are the symbol of an indefinite liability; by means of them, as we see, an amount of money so great that it is impossible to assign a limit to it, might be abstracted from the BANK OF ENGLAND. As the BANK OF ENGLAND lends money to keep up the bankers' balances at their usual amount, and as by means of that usual amount whatever sum foreigners can get credit for may be taken from us, it is not possible to assign a superior limit (to use the scientific word) to the demands which by means of the bankers' balances may be made upon the BANK OF ENGLAND.

The result comes round to the simple point on which this book is a commentary; the BANK OF ENGLAND, by the effect of a long history, holds the ultimate cash reserve of the country; whatever cash the country has to pay comes out of that reserve, and therefore the BANK OF ENGLAND has to pay it. And it is as the BANKER'S BANK that the BANK OF ENGLAND has to pay it, for it is by being so that it becomes the keeper of the final cash reserve.

Some persons have been so much impressed with such considerations as these, that they have contended that the BANK OF ENGLAND ought never to lend the "bankers' balances" at all, that they ought to keep them intact, and as an unused deposit. I am not sure, indeed, that I have seen that extreme form of the opinion in print, but I have often heard it in Lombard Street from persons very influential

and very qualified to judge; even in print I have seen close approximations to it. But I am satisfied that the laying down such a "hard and fast" rule would be very dangerous; in very important and very changeable business rigid rules are apt to be often dangerous. In a panic, as has been said, the bankers' balances greatly augment. It is true the BANK OF ENGLAND has to lend the money by which they are filled. The banker calls in his money from the bill-broker, ceases to rediscount for that broker, or borrows on securities or sells securities; and in one or other of these ways he causes a new demand for money which can only at such times be met from the BANK OF ENGLAND. Every one else is in want too. But without inquiring into the origin of the increase at panics, the amount of the bankers' deposits in fact increases very rapidly; an immense amount of unused money is at such moments often poured by them into the BANK OF ENGLAND. And nothing can more surely aggravate the panic than to forbid the BANK OF ENGLAND to lend that money. Just when money is most scarce you happen to have an unusually large fund of this particular species of money, and you should lend it as fast as you can at such moments, for it is ready lending which cures panics, and non-lending or niggardly lending which aggravates them.

At other times, particularly at the quarterly payment of the dividends, an absolute rule which laid down that the bankers' balances were never to be lent, would be productive of great inconvenience. A large sum is just then paid from the Government balance to the bankers' balances, and if you permitted the bank to lend it while it was still in the hands of the Government, but forbade them to lend it when it came into the hands of the bankers, a great tilt upwards in the value of money would be the consequence, for a most important amount of it would suddenly have become ineffective.

But the idea that the bankers' balances ought never to be lent is only a natural aggravation of the truth that these balances ought to be used with extreme caution; that as they entail a liability peculiarly great and singularly difficult to foresee, they ought never to be used like a common deposit.

It follows from what has been said that there are always possible and very heavy demands on the BANK OF ENGLAND which are not shown in the account of the banking department at all; these demands may be greatest when the liabilities shown by that account are smallest, and lowest when those liabilities are largest. If, for example, the German Government brings bills or other good securities to this market, obtains money with them, and removes that money from the market in bullion, that money may, if the German Government choose, be taken wholly from the BANK OF ENGLAND. If the wants of the German Government be urgent, and if the amount of gold "arrivals," that is, the gold coming here from the mining countries, be but small, that gold will be taken from the BANK OF ENGLAND, for there is no other large store in the country. The German Government is only a conspicuous example of a foreign

power which happens lately to have had an unusual command of good securities, and an unusually continuous wish to use them in ENGLAND. Any foreign State hereafter which wants cash will be likely to come here for it; so long as the BANK OF FRANCE should continue not to pay in specie, a foreign State which wants it must of necessity come to London for it. And no indication of the likelihood or unlikelihood of that want can be found in the books of the BANK OF ENGLAND.

What is almost a revolution in the policy of the BANK OF ENGLAND necessarily follows; no certain or fixed proportion of its liabilities can in the present times be laid down as that which the bank ought to keep in reserve. The old notion that one-third, or any other such fraction, is in all cases enough, must be abandoned. The probable demands upon the bank are so various in amount, and so little disclosed by the figures of the account, that no simple and easy calculation is a sufficient guide. A definite proportion of the liabilities might often be too small for the reserve, and sometimes too great. The forces of the enemy being variable, those of the defence cannot always be the same.

I admit that this conclusion is very inconvenient. In past times it has been a great aid to the bank and to the public to be able to decide on the proper policy of the bank from a mere inspection of its account. In that way the bank knew easily what to do, and the public knew easily what to foresee. But, unhappily, the rule which is most simple is not always the rule which is most to be relied upon. The practical difficulties of life often cannot be met by very simple rules; those dangers being complex and many, the rules for encountering them cannot well be single or simple. A uniform remedy for many diseases often ends by killing the patient.

Another simple rule often laid down for the management of the BANK OF ENGLAND must now be abandoned also. It has been said that the BANK OF ENGLAND should look to the market rate, and make its own rate conform to that. This rule was, indeed, always erroneous. The first duty of the BANK OF ENGLAND was to protect the ultimate cash of the country, and to raise the rate of interest so as to protect it. But this rule was never so erroneous as now, because the number of sudden demands upon that reserve was never formerly so great. The market rate of Lombard street is not influenced by those demands. That rate is determined by the amount of deposits in the hands of bill-brokers and bankers, and the amount of good bills and acceptable securities offered at the moment. The probable efflux of bullion from the bank scarcely affects it at all; even the real efflux affects it but little; if the open market did not believe that the bank rate would be altered in consequence of such effluxes the market rate would not rise. If the bank choose to let its bullion go unheeded, and is seen to be going so to choose, the value of money in Lombard street will remain unaltered. The more numerous the demands on the bank for bullion, and the more variable their magnitude, the more dangerous is the rule that the bank rate of dis-

count should conform to the market rate. In former quiet times the influence, or the partial influence of that rule, has often produced grave disasters. In the present difficult times, an adherence to it is a recipe for making a large number of panics.

A more distinct view of abstract principle must be taken before we can fix on the amount of the reserve which the BANK OF ENGLAND ought to keep. Why should a bank keep any reserve? Because it may be called on to pay certain liabilities at once and in a moment. Why does any bank publish an account? In order to satisfy the public that it possesses cash—or available securities—enough to meet its liabilities. The object of publishing the account of the banking department of the BANK OF ENGLAND is to let the nation see how the national reserve of cash stands, to assure the public that there is enough and more than enough to meet not only all probable calls, but all calls of which there can be a chance of reasonable apprehension. And there is no doubt that the publication of the bank account gives more stability to the money market than any other kind of precaution would give. Some persons, indeed, feared that the opposite result would happen; they feared that the constant publication of the incessant changes in the reserve would terrify and harass the public mind. An old banker once told me: "Sir, I was on Lord ALTHORP'S committee which decided on the publication of the bank account, and I voted against it. I thought it would frighten people. But I am bound to own that the committee was right and I was wrong, for that publication has given the money market a greater sense of security than anything else which has happened in my time." The diffusion of confidence through Lombard Street and the world is the object of the publication of the bank accounts and of the bank reserve.

But that object is not attained if the amount of the reserve when so published is not enough to tranquilize people. A panic is sure to be caused if that reserve is, from whatever cause, exceedingly low. At every moment there is a certain minimum which I will call the "apprehension minimum," below which the reserve cannot fall without great risk of diffused fear; and by this I do not mean absolute panic, but only a vague fright and timorousness which spreads itself instantly, and as if by magic, over the public mind. Such seasons of incipient alarm are exceedingly dangerous, because they beget the calamities they dread. What is most feared at such moments of susceptibility is the destruction of credit; and if any grave failure or bad event happens at such moments, the public fancy seizes on it, there is a general run, and credit is suspended. The bank reserve, then, never ought to be diminished below the "apprehension point." And this is as much as to say, that it never ought very closely to approach that point; since, if it gets very near, some accident may easily bring it down to that point and cause the evil that is feared.

There is no "royal road" to the amount of the "apprehension minimum;" no abstract argument and no mathematical computation will teach it to us. And we cannot expect that they should. Credit is an opinion generated by circumstances and varying with those cir-

cumstances. The state of credit at any particular time is a matter of fact only to be ascertained like other matters of fact; it can only be known by trial and inquiry. And in the same way nothing but experience can tell us what amount of "reserve" will create a diffused confidence; on such a subject there is no way of arriving at a just conclusion except by incessantly watching the public mind, and seeing at each juncture how it is affected.

Of course, in such a matter, the cardinal rule to be observed is, that errors of excess are innocuous, but errors of defect are destructive. Too much reserve only means a small loss of profit, but too small a reserve may mean "ruin." Credit may be at once shaken, and if some terrifying accident happen to supervene, there may be a run on the banking department that may be too much for it, as in 1857 and 1866, and may make it unable to pay its way without assistance—as it was in those years.

And the observance of this maxim is the more necessary because the "apprehension minimum" is not always the same. On the contrary, in times when the public has recently seen the BANK OF ENGLAND exposed to remarkable demands, it is likely to expect that such demands may come again. Conspicuous and recent events educate it, so to speak; it expects that much will be demanded, when much has of late often been demanded, and that little will be so, when in general but little has been so. A bank like the BANK OF ENGLAND must always, therefore, be on the watch for a rise, if I may so express it, in the apprehension minimum; it must provide an adequate fund not only to allay the misgivings of to-day, but also to allay what may be the still greater misgivings of to-morrow. And the only practical mode of obtaining this object is to keep the actual reserve always in advance of the *minimum* "apprehension" reserve.

And this involves something much more. As the actual reserve is never to be less, and is always, if possible, to exceed by a reasonable amount the "minimum" apprehension reserve, it must when the bank is quiet and taking no precautions very considerably exceed that minimum. All the precautions of the bank take time to operate. The principle precaution is a rise in the rate of discount, and such a rise certainly does attract money from the Continent and from all the world much faster than could have been anticipated. But it does not act instantaneously; even the right rate, the ultimately attractive rate, requires an interval for its action, and before the money can come here. And the right rate is often not discovered for some time. It requires several "moves," as the phrase goes, several augmentations of the rate of discount by the bank, before the really effectual rate is reached, and in the meantime bullion is ebbing away and the "reserve" is diminishing. Unless, therefore, in times without precaution the actual reserve exceed the "apprehension minimum" by at least the amount which may be taken away in the inevitable interval, and before the available precautions begin to operate, the rule prescribed will be infringed, and the actual reserve will be less than the "apprehension" *minimum*. In time the precautions taken may attract

gold and raise the reserve to the needful amount, but in the interim the evils may happen against which the rule was devised, diffused apprehension may arise, and then any unlucky accident may cause many calamities.

I may be asked, "What does all this reasoning in practice come to? At the present moment how much reserve do you say the BANK OF ENGLAND should keep? state your recommendation clearly (I know it will be said) if you wish to have it attended to." And I will answer the question plainly, though in so doing there is a great risk that the principles I advocate may be in some degree injured through some mistake I may make in applying them.

I should say that at the present time the mind of the monetary world would become feverish and fearful if the reserve in the banking department of the BANK OF ENGLAND went below £10,000,000. Estimated by the idea of old times, by the idea even of ten years ago, that sum, I know, sounds extremely large. My own nerves were educated to smaller figures, because I was trained in times when the demands on us were less, when neither was so much reserve wanted nor did the public expect so much. But I judge from such observations as I can make of the present state of men's minds, that in fact, and whether justifiably or not, the important and intelligent part of the public which watches the bank reserve becomes anxious and dissatisfied if that reserve falls below £10,000,000. That sum, therefore, I call the "apprehension minimum" for the present times. Circumstances may change and may make it less or more, but according to the most careful estimate I can make, that is what I should call it now.

It will be said that this estimate is arbitrary and these figures are conjectures. I reply that I only submit them for the judgment of others. The main question is one of fact. Does not the public mind begin to be anxious and timorous just where I have placed the apprehension point? and the deductions from that are comparatively simple questions of mixed fact and reasoning. The final appeal in such cases necessarily is to those who are conversant with and who closely watch the facts.

I shall, perhaps, be told also that a body like the Court of the Directors of the BANK OF ENGLAND cannot act on estimates like these; that such a body must have a plain rule and keep to it. I say in reply, that if the correct framing of such estimates is necessary for the good guidance of the bank, we must make a governing body which can correctly frame such estimates. We must not suffer from a dangerous policy because we have inherited an imperfect form of administration. I have before explained in what manner the government of the BANK OF ENGLAND should, I consider, be strengthened, and that government so strengthened would, I believe, be altogether competent to a wise policy.

Then I should say, putting the foregoing reasoning into figures, that the bank ought never to keep less than £11,000,000 or £11,500,000, since experience shows that a million or a million and

a half may be taken from us at any time. I should regard this as the practical minimum at which, roughly, of course, the bank should aim, and which it should try never to be below. And, in order not to be below £11,500,000, the bank must begin to take precautions when the reserve is between £14,000,000 and £15,000,000; for experience shows that between £2,000,000 and £3,000,000 may, probably enough, be withdrawn from the bank store before the right rate of interest is found which will attract money from abroad, and before that rate has had time to attract it. When the reserve is between £14,000,000 and £15,000,000, and when it begins to be diminished by foreign demand, the BANK OF ENGLAND should, I think, begin to act, and to raise the rate of interest.

THE DEMONETISATION OF SILVER.

The *Bremer Handelsblatt*, in a long article on the demonetisation of silver in GERMANY, gives the following estimate of the amount of circulating medium in GERMANY at the end of June, 1873:

Silver currency......................................about	£ 67,500,000
Imperial gold money (exclusive of £ 6,000,000 in military chest)......................................about	30,750,000
Bank notes and State paper not covered by bullion....about	30,000,000
Total................................	128,250,000

The new token silver currency is only to be £20,000,000, so that £47,500,000 of silver has still to be withdrawn. This large amount at least—more than two years' annual supply—is likely to be thrown upon an overstocked market within the next year or two, and the effect on the price of silver may be imagined. Hitherto the price has been in part kept up by the purchases of the French Government, which has paid a part of the indemnity in silver coin, but it seems doubtful now that FRANCE will continue to be a purchaser. An equal and large amount of gold will also require to be supplied to GERMANY in the same time, the wants of a population increasing in numbers and wealth requiring to be provided for, and the intention being to substitute gold for a portion of the State notes as well as for the silver. The Germans are certainly coining at a rate which implies their readiness to absorb all that amount of gold at a very early date.

FINANCIAL POSSIBILITIES.

Communicated to the Banker's Magazine.

Great progress has been made during the last century, in the invention of mechanical appliances, to relieve men from toil or powerful labor. Time has been greatly economised in transportation by land and water. Facilities for the communication and for the dissemination of ideas have been greatly increased. The forces of nature have been utilized for many purposes. The capital which nature furnishes in the productive qualities of the soil, the products of the forest and of the mine, have been made available in improving the material well-being, the wealth of society. These processes will doubtless continue, until all shall be well housed, well fed and well clothed. The Emperor AUGUSTUS had neither a shirt to his back nor glass for his windows. At this day, and especially in this country, the poorest people have both. Until all are well housed, well fed and well clothed, there cannot be an excessive supply of houses, food and clothing, provided the supply is properly distributed. Glut of a commodity arises from a want of facilility in interchange and transportation—that is, in properly distributing one kind of product among those who want it and have something to exchange for it. Money is the instrument of exchange. ADAM SMITH calls it the "wheels of commerce." Attention is now being turned to these *wheels* of commerce, and they will doubtless be improved. Facts regarding the financial systems that have obtained and that now exist, have been observed and recorded. No progress can be made without observing the evils incident to old systems and eliminating them from the new; experience is the mother of invention; systems grow, they are evolved from the experiences of generations. It seems that the growth of the financial systems of the world is in the direction of a circulating medium, accredited directly or indirectly by government, either wholly paper, or paper and coin mixed. Only two nations of EUROPE are now upon what is called a specie basis, all the others, like the UNITED STATES, are using an irredeemable, inconvertible paper currency.

There have been times in every country when the paper currency was practically convertible into coin at par, but this state of finance has been exceptional, and has, in every case, been followed by a suspension of specie payments.

It has been demonstrated by experience, that a period of specie payments is followed by suspensions of specie payment. It seems that it is beyond the wisdom of any man or board, even when managing the finances of a country through a great corporation like the BANK OF ENGLAND, or through the Treasury Department of a government, to adjust the amount of money in circulation, at all times,

so that it shall be sufficient in volume and not in excess of the requirements of legitimate business at any season; failure to do this has been indicated by irregularity in values, resulting in increasing the risks of doing business and reducing legitimate profits, stoppages of production and traffic, more or less serious, and finally, in suspension of specie payment.

Many are prepared to admit that new modes must be found for regulating the volume of currency in circulation, and adjusting it to the varying requirements of business. They are looking for a system in which the "circulation" shall be of uniform, intrinsic value, which involves a limit to its ultimate volume, and the quality of shrinking when the needs of commerce are small, and of expanding, within its limit as to volume, when business is active. That this shrinkage and expansion shall be automatic; that is to say, when any person, artificial or real, finds he has more currency than he needs, he can profitably retire, and when he finds the circulation insufficient, he may increase it.

It has been urged that the legal-tender circulating notes and interest-bearing evidences of the indebtedness of the UNITED STATES, if made *inter*-convertible, may afford the basis of a better currency than any that has yet been used in the world; a currency which would soon become of equal, if not of greater value than gold. That not exceeding $ 400,000,000 of United States notes, if made convertible at pleasure into certificates to be issued by Government, bearing not exceeding three per cent. GOLD interest, would, with the existing National bank circulation, afford such a currency without any serious disturbance of values, of business, or of existing institutions.

The legal-tender notes are evidences of debt owed by the UNITED STATES to the holders thereof. If the Government would at all times fund these notes, at the option of the holder, in sums say of $ 10,000, into certificates bearing a moderate rate of interest payable in gold, the notes being retired from circulation when exchanged for certificates, and reissued to the holder of certificates on the return thereof, it is believed that they would soon become as valuable as United States gold coin, and more desirable than coin as a circulating medium—that we should soon be upon a specie *basis* without forcing specie redemption and without the future necessity of doing so. These propositions do not involve hostility to the National banks; on the contrary, the use of certificates or greenbacks at pleasure would facilitate their business, and increase their strength and usefulness.

It would be obviously unjust for the Government to discriminate against National banks in giving to all the right to convert United States notes into certificates, and certificates into notes, at pleasure, and these certificates being perfectly available should be recognized as equivalent to lawful money when held by National banks in their reserves. The National banks would naturally prove most effective instruments in equalizing the circulating currency, and in distributing it when and where needed.

Rendering United States notes convertible at pleasure into a gold-bearing certificate would immediately enhance their value. National bank notes would at times be returned for redemption, and United States notes be demanded from the banks issuing the same. This would assimilate the National bank circulation and United States notes as to value, and tend to make them sympathize as to volume. A slight modification of section 31 of the National bank act would enable the National banks to adjust themselves to these circumstances without loss or inconvenience. By allowing National banks in the redeeming cities to count in their reserve balances with redeeming agents in any of those cities, to the amount of half their reserve, as is now permitted as to balances in New York City alone, would facilitate a system of mutual redemptions, which would be affected mostly by correspondence and book accounts, and by only occasional shipments of lawful money by express. It should be remembered by Western men that unless Western National banks can redeem their notes in neighboring cities and prevent their going to New York for redemption, the circulation would become a serious burden, and all interior banks would be compelled to retire their notes.

The slight modification of section 31, National bank act, suggested, would facilitate a system of mutual redemption, which would also give the people a currency of equal value in all parts of the country. The magnitude of the country must be recognized in future legislation.

These views were presented in the following five propositions in November last:

Proposition I is intended to relieve extraordinary pressure, such as has been experienced during the past winter, while it proposes to afford opportunity for limited and temporary expansion of the volume of authorized currency in circulation. It provides means whereby the amount so issued may return to the treasury.

Proposition II is designed to secure the retirement of currency during seasons of the year when trade is comparatively inactive, but it contemplates a moderate and limited expansion of the volume of currency in circulation when needed for moving the crops.

Proposition III contemplates an increased value to the legal-tender notes when rendered convertible into a gold-bearing obligation and a consequent call upon National banks by the holders of their notes for redemption. Without disturbing the law as regards the existing provision for central redemption, it is designed to enable National banks in the interior, by keeping a portion of reserve with each other, to mutually redeem or protect each the others' circulating notes, and prevent their going to New York City for redemption so frequently as to render the circulation of notes by banks remote from New York unprofitable.

Proposition IV proposes to leave undisturbed the National bank circulation as now apportioned and distributed.

Proposition V is designed to enable any National bank to retire its

circulating notes without otherwise disturbing its business, in case from its location or other circumstances the management shall deem it advisable.

The propositions are arranged with a view to perfecting our existing system, without injuring any interest or disturbing any existing institutions. The object is to build up, not to tear down; to recognize various interests and endeavor to reconcile them in the perfection of a system.

THE APPROACHING SPANISH REPUDIATION.

It seems now to be generally understood that the next coupon on the Spanish three per cents. will not be paid. The Government at Madrid is in the greatest financial straits, and the information that the budget is to be brought into equilibrium by "taxing" the foreign creditor is perfectly unambiguous. Of course, as has been pointed out, the Spanish Government could, perhaps, obtain a surplus by the same process, and it certainly is rather a matter for surprise that any of the changing parties at Madrid, anxious for money to carry on with, should ever think of the foreign creditors at all. The lesson to the numerous English investors in "Spanish" is a very severe one, though we may despair of their ever thoroughly understanding the importance of character in the national debtors whom they trust. There is no doubt that a firmer treatment of SPAIN by her creditors would have been beneficial not only to themselves but to their debtor. A less degree of facility among lenders would have compelled the Spanish rulers to get on as best they could without foreign money; the burden of debt would have been less than it now is; and the temptation not to pay the interest of what was actually incurred would not have been so strong. It was really a friendly act towards SPAIN, therefore, to point out, as we did six months ago, the folly of the partial repudiation which was then ratified by Spanish creditors. But for that repudiation and earlier acts of the same kind, much of the present financial embarrassment of the Spanish Government need not have arisen. The plain conclusion is, that ordinary investors should have nothing to do with governments which have no stable character, and are insensible to the reproach of dishonesty towards their creditors—characteristics from which several intending borrowers now talked of are notoriously not free. If SPAIN has collapsed financially, there is every certainty that countries like TURKEY and EGYPT must reach the same end, as soon as the process of paying old interest by new loans comes to an end, or the inevitable political convulsion to which these countries are exposed occurs. After the experience of foreign loans during the last two years, investors who lend to such countries must make up their minds to an almost certain loss of their money.—*Economist.*

UNPAID COLLECTION PAPER.

Few of our large city bankers have any idea of the trouble imposed upon the banks in country towns in the way of small collection notes, given by parties who are not business men. They may profit, however, by a lesson in patient pains-taking through the communication below, while our Western and interior readers will find the practical suggestions given to be of value to their clerks, in the saving of time and worry.—*Ed. B. M.*

To the Editor of the BANKER'S MAGAZINE:

SIR: Most country bankers find constantly on their hands a large line of collections which they cannot well dispose of in the summary manner desired and practiced by their city correspondents, namely: to "return promptly if not paid, stating reasons for non-payment." They have numerous patrons who do not want their paper returned promptly, if not paid at maturity, but wish it held with a view to coaxing or worrying the maker into paying. Collection files consequently become bulky with notes sent by merchants, manufacturers of agricultural implements, sewing machines or organs; by life and fire insurance companies, etc., against parties outside of regular business circles, and which cannot be treated in the same manner as ordinary commercial paper. These are usually accompanied by instructions, more or less minute, as to their treatment.

A portion of them will be paid at maturity, and with these, of course, there is no trouble, but the majority of them will not. Instead of payment there will be requests for extension two or three times renewed, often with all sorts of explanation and apology, or the repeated notifications will be altogether ignored, and if, after holding them until it seems useless to do so longer, they are returned to the owners, they may be re-sent after a short interval, with a letter saying, "these parties have been written to and we think they will pay now—please notify." The result of all this is an accumulation of maturing and past-due paper that cannot be kept satisfactorily on any ordinary form of tickler. To enter them on a tickler chronologically, and file them correspondingly, seems the least convenient method. Two or three times a year an agent from each of the firms from whom you may have a number of notes, will want to know what you have on hand belonging to his principals? A question that it is considerable trouble to answer unless you have kept a careful collection account with each of them. If to avoid this difficulty, separate files are kept of the notes belonging to each large firm, you are in nowise better able to answer the questions of some foreign

fellow-citizen, who is seeking information for himself or his neighbor. He knows there is a note; he can give the maker's name; but as to its date, its amount, its maturity, to whom or for what it was given, he is either totally ignorant or pretends to be. To stop in the hurry of business to look through a score of files for this note, is a most vexatious task. Nor is the trouble always ended when the note has been finally disposed of in one of the various ways—by payment and remittance, return by mail, delivery to agent or attorney, or perhaps to maker upon order of owner. The business habits of each of the parties concerned are not always models of method, and not infrequently the bank is called on to account for collections two or three years after they have been properly disposed of. Usually, they are satisfactorily traced, but there is often much annoyance and loss of valuable time involved in the search. It is not worth while, however, to dwell upon the trouble attending the care of this sort of paper. Those who have had the experience will not be likely to underrate it. It has caused the writer so much annoyance, that, having adopted a plan which works better than any other known method, he desires to give his fellow-workers, through the medium of your MAGAZINE, the benefit of the improvement, if it be one. The plan is simply to make a card catalogue or index for these collections, such as is used for cataloguing libraries, natural history cabinets, etc. Suppose, for example, that the Smith Reaper Company sends you fifty notes against farmers in your vicinity, part of them due November 1, '72, part November 1, '73. You could not well enter these on your tickler, and instead, with less trouble, if anything, you make a card for each of them like the following:

Maker....................*Johann Johannsen.*

P. O...............................*Bloomer.*

Owner............*Smith Reaper Co., Chicago.*

$75..................*and* 10 *per cent. interest.*

No. 4,752................*Due November* 1, '73.

Notified.....*November* 10, '73, *January* 10, '74.

Paid..........*and remitted, February* 1, 1874.

Remarks:

[On this space instructions can be noted.

The notes are then put into an envelope or file, containing all the notes belonging to this company. The cards, together with those made for all similar collections which you have, to be arranged alphabetically as to maker's name.

The first notification sent before maturity can be indicated by a check mark; subsequent ones should show date. If makers want an extension and make renewed promise of payment, this can be noted in pencil, and an attempt made to keep them to it.

The cards will naturally fall into two groups, one composed of those representing collections on hand; the other, a larger and constantly increasing one, of those which have been disposed of. Whenever a note is paid or returned put the date thereof—or if delivered to agent or attorney take his receipt—on the card, and transfer it from the former to the latter group. Let each be arranged alphabetically in a suitable box that can be transferred from the vault to the counter. When thus disposed, if inquiry be made about a note and the maker's name be known, you can tell if it be in your possession or has been formerly, with its history, as easily as you could find a word in the dictionary.

Thus far this method has only been adopted with the class of collections referred to above, including in it all that for any reason are held after maturity, marking them off the tickler at once. But I am inclined to think that it might with advantage be made to include all collections handled.

It would seem, too, to be a convenient one for the owners of the notes also—referring, of course, to those who have large numbers of them—one of its chief advantages being the ease with which they can be assorted into groups for various purposes. Arranging them numerically for checking, or chronologically, or by States, or as to selling or collecting agencies. For example, if a batch of notes be sent to a bank for collection, sort out the cards which represent them and put a band around them with an appropriate label card. Whenever one is returned or remitted for withdraw its card from this pack, and there is at all times a correct list of the paper and its whereabouts, with much less labor and liability to error than any method of recording in books can give. For convenience the cards should not be made too large; the size indicated has been found after considerable experience quite large enough.

If it be urged that these cards are liable to be lost the reply would be, "Of course they are; so are the notes themselves; so are bank notes; but if the same care be taken with the former as with the latter it will insure their safety."

There is, of course, nothing new in this use of cards, except, possibly, its adaptation to collection paper, and even that may not be. Still there are doubtless many to whom these suggestions will be acceptable.

A box of the following description will be found convenient:

Length, fifteen (15) inches; width, thirteen (13) inches; depth,

four (4) inches (clear), with three partitions running lengthwise, making four divisions two and three fourths (2¾) inches wide. The sides of the box and the divisions to have cuts with a saw about one eighth (⅛) in. deep, at intervals of half (½) an inch, for the reception of tin slides, cut to fit, so that an adjustable partition can be made for each letter, as the size of the groups will be constantly varying. The tins should be half an inch shorter than the cards. A sliding cover to keep out dust.

Eau Claire, Wis., *September* 1, 1873.

THE GERMAN GOLD COINAGE.

So much interest now attaches to the rate at which the Germans are coining gold that we need make no apology for repeatedly returning to the subject. We have now a statement to a three weeks later date than when we last referred to it, and it is plain that in these three weeks there has been no relaxation in the rate of coinage in the earlier part of the year.

	Marks.	
The amount coined on 24th May (date of the last statement) was	663,258.450	..£ 33,163,000
Ditto, coined on 3d May, was	623,406,730	.. 31,170,000
Increase in three weeks	39,851,720	.. 1,993,000

This is at the rate of £ 664,000 weekly, which is in excess of the average rate of coinage in the earlier part of the year. If this rate continues the requirements of the German Government are likely to be large. The coinage in the quarter would amount to £ 8,632,000, or £ 2,877,000 monthly. This last fact is of especial importance with reference to the new arrangement of the French Government with the Bank of France, by which £ 2,000,000 monthly is to be paid for four months, in gold, to the German Government. The German requirement for coinage being £ 2,877,000 monthly, is nearly £ 1,000,000 per month more than what the receipt in gold from France will be. It is, therefore, not surprising that the German Government should continue to be a buyer of gold in the London market. Its requirements for the present are much less than if the French payment was not being made; but that payment is not enough to make them cease altogether, and if the Germans should only continue the present rate of coinage for a few months longer, the intensity of the demand, which has now been mitigated, will revive. The absence of any explanation of the German programme in the matter adds the evil of uncertainty to the other difficulties of the market created by the demand itself.—*London Economist.*

LIENS ON BANK STOCK.

The Right of a National Bank to Retain a Lien on its Stock.

Before the Louisville Chancery Court.

The readers of the Banker's Magazine, are referred to the December No. of this work, 1871, (page 428,) for the important case against the Old National Bank of Providence, Rhode Island, also to the March No. 1872, (page 667,) for the case of the Metropolitan National Bank of New York *v.* The Evansville National Bank. Both cases are in reference to the claim of a bank to hold shares of stockholders who are debtors to the bank. *Ed. B. M.*

National State Bank of Newark, New Jersey, *v.* The Second National Bank of Louisville, Kentucky.

Opinion delivered September 26, 1873. Harlan, Vice-Chancellor.

This suit is about the ownership of one hundred and seventy shares of the Second National Bank of Louisville.

The charter of the Second National Bank is to be found in the act of Congress, approved June 3, 1864, and in such provisions of the article of association, "not inconsistent with the provisions of that act, which the association may see fit to adopt for the regulation of the business of the association and the conduct of its affairs."

The first act for the organization of National banks was passed in 1863. By the thirty-sixth section of that act, which in this as well as many other material respects, was similar to many of the provisions of the general banking laws of many of the States, it was provided that no shareholder should have power to sell or assign his shares so long as he should be indebted to the bank as principal debtor, as surety, or otherwise.

The act of 1863 was expressly repealed by the act of 1864, under which the defendant organized. The twelfth section of the act of 1864 gives to the banks the right, either by by-laws or articles of association, to prescribe the manner in which stock shall be transferable on their books. The thirty-fifth section of the act of 1864 provides that:

No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary

to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale, in default of which a receiver may be appointed to close up the business of the association, according to the provision of this act.

The thirty-seventh section of the act of 1863 contained a provision similar to this thirty-fifth section of the act of 1864, though its prohibition against the holding, by a bank, of its own stock, was less stringent.

On the 5th day of January, 1865, an association was formed under the act of 1864, under the name of the "SECOND NATIONAL BANK of Louisville," and among other provisions in the articles, is the following:

SEC. 6. Said Board of Directors shall have power generally to do and perform all the acts that it may be legal for a "Board of Directors" to do under the act aforesaid; and that they shall also have the power to make all by-laws, that it may be proper and convenient for them to make under said act, for the general regulation of the business of the association and the management and administration of its affairs; which by-laws may prohibit, if the directors shall so determine, the transfers of any stock owned by any stockholder who may be liable to this association, either as principal debtor or otherwise, without the consent of the board.

The by-laws contemplated by the articles were adopted March 1, 1865, and among others had this provision:

SEC. 15. The stock of this bank shall be assignable only on the books of this bank, subject to the restrictions and provisions of this act, and a transfer book shall be kept on which all assignments and transfers of stock shall be made. No transfer of stock of this association shall be made, without the consent of the Board of Directors, by any stockholder who shall be liable to the association, either as principal debtor or otherwise, *and certificates of stock shall contain upon them notice of this provision.*

On the eleventh day of September, 1865, a certificate of stock was issued to SPENCER SCOTT in these words:

This certifies that SPENCER SCOTT is entitled to one hundred and seventy shares in the capital stock of the SECOND NATIONAL BANK of Louisville, transferable only on the books of the bank in person or by attorney on the surrender of this certificate. Louisville, September 11, 1865.

On the back of the certificate was printed the following form of transfer:

For value received —— hereby sell, assign and transfer to —— —— shares of the within mentioned stock, and do hereby constitute and appoint —— attorney to transfer the same on the books of the bank. Witness my hand and seal, this —— day of ——, 18—.

SCOTT, as is claimed by the plaintiff, being, prior to the 3d day of

October, 1866, indebted to the NATIONAL STATE BANK of Newark, NEW JERSEY, in the sum of $ 17,000, on the — day of March, 1868, said certificate, with the blanks in the assignment filled so as to read as follows:

For value received, I hereby sell, assign and transfer to the NATIONAL STATE BANK of Newark, NEW JERSEY, all the shares of the within mentioned stock, and do hereby constitute and appoint V. ROSE, attorney, to transfer the same on the books of the bank. Witness my hand and seal, this 3d day of October, 1866.

SPENCER SCOTT.

RICH'D SCHELL.

was presented by said ROSE to the defendant, and a transfer of the stock on the books was demanded, and refused by the bank, on the ground that SCOTT was indebted to the bank in a sum exceeding the value of the stock.

On the 17th day of August, 1868, SCOTT, with his partner (DAVISON), filed a petition in bankruptcy, and on the 6th day of October, 1869, both received their discharge. To the proceedings in bankruptcy the plaintiff, the assignee of the certificate of stock, was not in any respect a party. During the pendency of those proceedings, the defendant asserted therein a large debt against SCOTT, DAVISON & Co. and SCOTT, and claimed a lien on said stock, "by virtue of the act of Congress and by-laws adopted in pursuance thereof and by the agreement of said bankrupts." By an arrangement between the assignee in bankruptcy and the SECOND NATIONAL BANK of Louisville, the agreed value of said stock was credited on that bank's claim, and the stock transferred by the assignees in bankruptcy to the bank, in payment *pro tanto* of their claim against the bankrupts. This settlement and arrangement was approved by the Bankruptcy Court.

Concerning the indebtedness of SCOTT to the NEWARK BANK, and of SCOTT, DAVISON & Co. to the SECOND NATIONAL BANK of Louisville, very little need be said beyond the general remark that both seemed to be pretty well established. It may be also remarked that the proof tends to show SCOTT's indebtedness to the plaintiff to have originated prior to the date of the transfer of the certificate to the NEWARK BANK, to wit: Prior to the 3d day of October, 1866, at which prior date, it is also claimed, the transfer was made in blank and not filled up until the 3d day of October, 1866: and that the liability of SCOTT to the LOUISVILLE BANK accrued in November, 1866. These latter propositions may not be put beyond question but they seemed to be as near correct, from all the evidence, as the circumstances will allow.

Upon this state of case the question arises as to who has the best claim to the stock. This brings us to the main point in this controversy, and that is, whether the SECOND NATIONAL BANK of Louisville, by virtue of the sixth article of its articles of association, and section fifteen of the by-laws, or otherwise, has a lien on the stock to

secure them against SCOTT'S liability, and also how far its title is affected or aided by the arrangement in the bankruptcy proceedings.

The acts of Congress providing for a National bank system were evidently drawn by men who were familiar with the banking laws of the several States; and almost every provision, about the meaning or operation of which a difference of opinion could arise, has been passed upon in some analogous case in State and Federal courts. The authorities are numerous, aud as able as they are numerous; but in the mass of seeming, if not real, conflict of opinion, we should be controlled by the action of the Supreme Court of the nation in the interpretation of National legislation, especially where these interpretations come so soon after the passage of the laws.

The act of 1863 was found to be defective, and it was repealed by the act of 1864. One of the most conspicuous provisions of the act of 1863 was the 36th section—especially conspicuous because of its presence or absence in many of the State laws. This section was repealed. "Congress evidently intended," says the Supreme Court, in BANK *v.* LANIER (1, WALLACE, 376), "by leaving out of the law of 1864 the 36th section of the act of 1863, to relieve the holders of bank shares from the restrictions imposed by that section. *The policy on the subject was changed*, and the directors of banking associations were in effect notified that they must deal with their shareholders as they dealt with other people." The Court further says: "The power to transfer their stock is one of the most valuable franchises conferred by Congress on banking associations. Without this power, it can be readily seen, the value of the stock would be greatly lessened; and, obviously, whatever contributes to make the shares of the stock a safe mode of investment and easily convertible, tends to enhance their value. It is no less the interest of the stockholder than the public that the certificates representing his stock should be in a form to secure public confidence, for without this he could not negotiate it to any advantage. It is in obedience to this requirement that stock certificates of all kinds have been constructed in a way to invite the confidence of business men, so that they have become the basis of commercial transactions in all the large cities of the country, and are sold in open market the same as other securities. Although neither in form or character negotiable paper, they approximate it as nearly as possible. If we assume that the certificates in question are not different from those in general use by corporations, and the assumption is a safe one, it is easy to see why investments of this character are sought after and relied upon. No better form could be adopted to assure the purchaser that he can buy with safety. He is told under the seal of the corporation that the shareholder is entitled to so much stock, which can be transferred on the books of the corporation, in person or by attorney, when the certificates are surrendered, but not otherwise. This is a notification to all persons interested to know that whoever in good faith buys the stock and produces to the corporation the certificates, regularly assigned, with power to transfer, is entitled to have the stock transferred to him."

These views are sustained by recent and elaborate decisions in the

Court of Appeals of NEW YORK (BRIDGEPORT BANK *v.* SCHUYLER, 34 N. Y., 30), and the Supreme Court of CONNECTICUT, (same *v.* New York and New Haven Railroad Company, 30 CONN., 270;) both of which are referred to in BANK *v.* LANIER, *supra*, as sustaining the conclusions of the Court in that case. As early as 1825 the Court of Appeals of KENTUCKY held to the same views. In FITZHUGH *v.* THE BANK OF SHEPHERDSVILLE, 3 MON., 126, the Court says: "Bank stock is an article of commerce, and the certificate of shares is not only the evidence of title, but the evidence of the negotiability of the stock, and must be taken as conclusive evidence against the bank that the stock is salable and free from incumbrance. If the bank wishes to avail itself of such a pledge, it must take from the holders this evidence of title and transferable quality, and show an express pledge. Otherwise the holders of such evidence might delude and impose upon purchasers, and the bank stand as a tacit accomplice in that delusion, and then be permitted to take from an innocent purchaser the title thus acquired."

It must be borne in mind that the certificate of stock held by SCOTT for the shares in controversy gave no notification of any restriction upon the right to transfer, but was in the usual form, reciting that the stock was "transferable only on the books of the bank, in person or by attorney, on the surrender of this certificate," with a blank form put there by the bank to facilitate the transfer. There was no notification thereon of the existence of the by-law, nor of the claim of the bank to a standing lien.

The general power given to the association in the fifth section of the act of Congress to "make other provisions, not inconsistent with the provisions of this act, which the association may see fit to adopt for the regulation of the business of the association and the conduct of its affairs," and by the twelfth section, to prescribe the manner in which stock shall be transferred, does not, it seems to the court, confer upon the bank the right to assume an important corporate power, especially in view of the clear intention of Congress to withhold that power. As said by the Supreme Court, in BANK *v.* LANIER, *supra*, "Congress evidently intended, by leaving out of the law of 1864 the thirty-fifth section of the act of 1863, to relieve the holders of bank shares from the restrictions imposed by that section. The policy on the subject was changed." In that case this principle was applied to a bank organized under the act of 1863; for a stronger reason, it would operate upon a bank organized, as the defendant was, under the act which thus inaugurated this change of policy.

In the argument of counsel for the defendant, and in some of the cases, the articles of association are spoken of as the "charter," of which the world could and must take notice. This is not altogether correct, for the charter of a National bank is to be found in the general act of Congress, and such articles of association as are in accordance or not inconsistent therewith. Articles of association and by-laws are intended to put into active and harmonious operation such corporate rights, powers and privileges as may be conferred by

the act of Congress; and it would be a strange rule which would allow National banks to assume by their own action a power which Congress, after one year's experience, so pointedly refused to confer —the exercise of which by some, and its non-exercise by others, would mar to some extent that uniformity in the value and character of stock which is so desirable and appropriate in a National system.

In all cases where a provision similar to section thirty-six of the act of 1863 was embodied in a State law, or in a charter, the right of the bank to impose the restriction has been upheld; and in the case of banks organized under that act the restriction was binding as long as the law was in force, and it did not need the aid of a by-law; but when that section was repealed the restriction was removed, and all by-laws imposing such restrictions fell with the repeal. The repeal meant something. The section of the law was not accidentally omitted, for, says the Supreme Court, "*the policy on the subject was changed.*"

The opinion in BANK *v.* LANIER appears in the reports as the opinion of the whole court, although it is now well known that one of the Judges, Justice CLIFFORD, holds to different views. Notwithstanding the eminent ability of that distinguished jurist, and while recognizing the full measure of the strength of his arguments, or even conceding, if necessary, their correctness, the question before us has been passed upon by the Supreme Court, and its language is so explicit that it must be taken as concluding this court. In the interpretation of an act of Congress the decision of that court is final until overruled by its own action.

But conceding for the moment that the directors had the power to pass by-laws, "which by-laws may prohibit, if the directors shall so determine, the transfer of any stock owned by any stockholder who may be liable to this association, either as principal debtor or otherwise, without the consent of the board," there is a serious obstacle in the way of the defendant in its claim of lien, for it has not complied with its own by-law upon the subject.

The by-law upon that subject, section fifteen, provides that "no transfer of the stock of this association shall be made without the consent of the Board of Directors by any stockholder who shall be liable to the association either as principal debtor or otherwise; *and certificates of stock shall contain upon them notice of this provision.*"

The certificate held by SCOTT contained no notification whatever, nor any words or signs from which the most cautious dealer could infer that such a by-law existed. The power, if it existed, to make this by-law was discretionary, as will be seen by reference to the language of the articles of association, and in view of the by-law the absence of any notification on the certificate may well be held to be a waiver. It would be a novel and curious feature of National bank stock if every one who proposed to deal in such securities or make them the basis of important and oftentimes emergent commercial transactions, was driven to the trouble and inconvenience of investigating, real or supposed, existing or contingent liens.

The bank having failed to comply with its own by-law, with what show can it claim the benefit of it?

The National banking system was an experiment. It went into operation so soon and so generally, and was subjected to such practical tests and criticisms, that its merits or defects were soon developed. And hence we account for the many modifications introduced by the substitution of the act of 1864 for that of 1863. That feature, embodied in section thirty-six, imposing restrictions upon the transfer of stock and therefore impairing its value, because lessening the safety of investments and their easy convertibility—both of which are essential elements of value—was stricken out. "The policy on the subject was changed." There were doubtless other evils seriously affecting the success and popularity of the system, which were intended to be remedied by the repeal, and Congress never intended that this power, which it withholds from exercise itself, should rest with the bank. "If a bank," says the Supreme Court, "may, through the agency of its articles of association and by-laws, retain a particular section that has been repealed, it is difficult to see why it may not by the same means retain all the remaining sections of the repealed statute that are applicable to its business, and thus antagonize itself to the whole policy of Congress on the subject."

The only safe rule to avoid confusion is, that where Congress has seen proper to make a law to inaugurate a National and uniform banking system, and by its enactment covers all the ground, that law is the source of all the rights, privileges, powers and franchises of such associations as may comply with the prescribed conditions. And where the whole ground is so fully occupied and the intentions so clearly indicated, it would be an unsafe rule to hold that a permission to make such other provisions as are "not inconsistent with the act" of Congress, carried with it authority to do whatever was not expressly forbidden by the act. That construction would be too broad, and place it in the power of banks to destroy that uniformity and harmony so essential to a National system.

The interests of the shareholders of the corporation and the public demand that certificates of stock should be in a form so as to secure public confidence. The necessities of commerce demand it, for such stock is oftentimes made the basis for varied and important transactions. And it is not unreasonable to suppose that Congress carried out a clearly-defined purpose by the modifications made by the act of 1864, and especially by the repeal of section thirty-six, and in making more stringent the prohibition against the holding by a bank of its own stock; and what more probable than to make the shares of stock a safe mode of investment and to give them ready convertibility, according to the interest of the parties or the necessities of commerce, and also to keep the capital of the bank available for active use.

The right of a bank to assert its lien is an incumbrance and must affect the value of stock; and the existence of this right not only

withdraws a part of the capital from active use, but is a temptation to banks to deal with their stockholders upon a less prudent basis than that adopted toward other parties. An illustration of this is found in this very case, where the anxiety of the bank officials at having so large a debt against the parties was quieted by the idea that they could fall back upon the stock to make the debt safe.

In this connection let us refer to that feature in section 35 of the act of 1864, which prohibits "any loan or discount on the security of the shares of the capital stock;" also the purchasing or holding of such shares, unless necessary to prevent loss on a debt *previously contracted* in good faith.

The court has intimated the opinion in general terms that the liability of SCOTT to the SECOND NATIONAL BANK did not accrue until some time in November, 1866, when he, by arrangement, agreed to go on the paper which DAVISON had executed in the firm name without authority. Was the liability permitted or taken on the security of the stock? If so, it was an illegal transaction so far as it may be claimed to give any property in the stock. And, further, whether strictly a "loan or discount on the security of the capital stock" if this liability was in any material degree accepted upon the faith of SCOTT'S owning the stock which the bank could rely upon, and this idea operated upon the bank, it seems to the court that the debt cannot now be said to have been "previously contracted in good faith" in the sense of the statute. For in this connection the phrase means a debt contracted upon the merits and strength of the commercial paper, without reference to any ultimate security in the shape of a lien on the capital stock.

What is the evidence on this point? It appears from the depositions of BRIDGEFORD, president; ALLISON, cashier; BARTLETT, vice president, and DAVISON, director, that during all this time the Board of Directors relied upon the contingent security of the stock for the indebtedness. ALLISON proves that the bank relied upon the security of said stock. BRIDGEFORD speaks to the same effect and says: "But for that security the bank would not have discounted the paper to the extent which it did." BARTLETT says: "It was upon the security of the stock that their line of discount was kept up to the amount it was." And DAVISON seems to have given frequent assurances on the subject in private as well as at board meetings. In view of this testimony it is hard to escape the conclusion that the bank discounted the paper upon which SCOTT was liable, whether before or at the renewals in November, 1866, to the extent to which it did, upon the security of the stock, and it must follow that the debt was not in the statutory sense "previously contracted in good faith."

What is the difference between loaning or discounting on the security of the stock and doing the same thing on weak personal or other security with a lien on the stock? What becomes of the prohibition in section 35, if banks in any material degree can at

the time of the loan or discount, or inception of the liability, rely upon a lien. Congress intended by the repeal of section 36 of the act of 1863, and by the substitution of the more stringent restriction of section 35 in the act of 1864, for section 37 of the old act, that the loan and discount business of a National bank should be upon the merits and strength of the commercial paper, and not directly or indirectly on the security of its own stock. The national banking system was established in aid of the finances of the country, and for the public as well as for stockholders. "These institutions," says Justice DAVIS, "were created to subserve public purposes, and not the mere private purposes of its stockholders."

The next point is as to the effect of the bankruptcy proceedings. SCOTT transferred the certificate of stock to the plaintiff on the 3d day of October, 1866, and the plaintiff took the entire title, legal and equitable, as between itself and SCOTT, with all the rights the latter possessed. When SCOTT went into bankruptcy in August, 1868, this property did not pass to the assignee in bankruptcy by operation of the law, for long prior the entire title had passed from the bankrupt. Nor was this property in the custody of the court or of the assignee, nor were any proceedings had by which either the assignee or the court got control of it. The plaintiff was not, in any form known to the general practice, a party to the cause or to any branch of it. It is claimed, however, that the plaintiff is concluded by the action and judgment of the bankruptcy court in its approval of the private arrangement between its assignee and the SECOND NATIONAL BANK, by which the assignee transferred the stock to the bank. This might be so, if the action of the court was a proceeding *in rem*. It was not such a proceeding, for the thing was never in the custody of the court or of its assignee. No other kind of proceedings can bind the plaintiff, unless it was made a party and was actually so constructively summoned.

Hence we conclude that as the action as to this property was not in any sense a proceeding *in rem*, and as the plaintiff was not a party to any proceeding, its rights are not affected by the action of the bankruptcy court.

It is not necessary to say anything on the effect of the discharge in bankruptcy, for it is not pleaded by the bankrupt, nor has any step in the premises been taken by the assignee.

It is suggested that the controller of the currency recognizes the validity of that provision in the articles of association and by-laws, regulating and restricting the powers of transfer, and also that all the National banks in this city and elsewhere have similar provisions in their articles and by-laws. But all this does not make it legal, and these assumptions must yield to the opinion of the Supreme Court, which, in the case of BANK *v.* LANIER, *supra*, its last authoritative deliverance, unmistakably means, if it does not decide, that a National bank cannot, by agreements or provision in its articles of association or by-laws, retain a lien on its own stock. This opinion

was followed by the United States Circuit Court, in the Indiana circuit, in the case of the EVANSVILLE NATIONAL BANK *v.* THE METROPOLITAN NATIONAL BANK of New York, and upon appeal the case was affirmed by a divided court, without opinion. A majority of the court could not be had to overrule BANK *v.* LANIER. Whether the Supreme Court will overrule this case we cannot tell, but since that tribunal has given clear utterance to its interpretation of the act of Congress and of the intention of the law-makers, it would not be proper for a State court to treat the question as still open.

It resulting that, the defendant having no lien under the act of Congress or any valid provision of their articles of association and by-laws, or otherwise, and having acquired no title under the arrangement with, and transfer from, the assignee in bankruptcy, the claim of the plaintiff must prevail, a decree may be prepared directing a transfer and an account of dividends, with interest on the dividends due at the time of the demand made by ROSE from that date, and on other dividends from the time they successively accrued.

GAZLAY, YEAMAN & REINECKE, attorneys for the plaintiff; LEE & RODMAN, MUIR & BIJUR and GEORGE M. DAVIE, attorneys for defendant.

The case is to be taken up on appeal to the Court of Appeals of KENTUCKY, and from thence will most probably be taken on a writ of error to the Supreme Court of the UNITED STATES, where it will be finally decided, and become the precedent for similar cases.

JAPAN.—A letter from Yokohama, in the *Allgemeine Zeitung*, says that the Japanese officials of the Ministry of Finance have resigned, finding it impossible to restore the revenues of JAPAN to a satisfactory condition. The state debt now amounts to $104,000,000 and is increasing every year, as the Government is unable to raise more taxes, and has entered upon a number of undertakings which considerably augment its expenditure. Hitherto the real state of affairs has been kept secret, but the letter by which the ministers notified their resignation has found its way into the press, and it is feared that the ministers will consequently be ordered to perform the hari-kari. The letter in question recommends that all the public works now in progress should at once be stopped, that the issue of paper money should cease, and that all the expenses of the Government should be reduced to a minimum. It also observes that the alleged progress of the country is a mere sham, which must ultimately lead to universal ruin. The correspondent adds, however, that the directors of the Finance Department seem to have been of a very different opinion a few weeks previously, as they then estimated the revenue at $70,000,000 and the expenditure at $60,000,000, and held out the prospect of a surplus of $2,000,000 even if the projected reforms were carried out. As yet only eighteen (German?) miles of railway have been built; the reforms in the army and in national education have, of course, cost considerable sums, but the Government will not introduce other European institutions until education becomes more general. The Mikado's palace, which was burnt down the other day, is to be rebuilt with the money arising from private subscriptions collected all over the country.

AMERICAN GOLD STANDARD AND NEW VALUATION OF THE SOVEREIGN.

From the London Economist.

The observations you were good enough to insert under this head in your impression of May 3, have met with a courteous enough reception in the UNITED STATES. Some objection has, however, been taken to the assumption that the American gold coinage charge would practically amount to one-half per cent., calculating upon an average delay of eighteen or nineteen days between delivery of bullion at the Mint and return of the equivalent coined money of standard weight. And, in contradiction to this, it is stated, upon official interpretation of the new American Coinage Act, that it provides for keeping a part of the public funds (*i. e.*, in coined money) on deposit at the mints for the payment of deposits of bullion as soon as the assay is made. And it is also implied that reliance may be placed upon payment generally taking place the next day, and rarely later than the second day.

Now, there can be little doubt as to the ability of the United States Treasury to maintain that prompt delivery at times like the present, when the gold coinage at the United States mints is restricted to very narrow proportions. But it does not at all follow that the same result will be maintained when a renewed activity in the fresh coinage of gold shall take place. Prompt delivery was accorded in FRANCE by the Paris Mint when the coinage was small, but it ceased to be so as soon as a strain was put upon the manufacturing capabilities of that establishment. There is every reason to look forward to a probability of the same experience in the UNITED STATES. Our only guide can be the law that regulates the issue of coin. In ENGLAND, that law is imperative on the bank's liability for prompt delivery. In FRANCE, it is not so; it depends on certain limiting conditions of amount and speed of coinage, and upon changes of ministerial by-laws. It will presently be seen that the new United States law is open to the same class of objection.

The new English gold coins struck at the Royal Mint in the last year (1872) amounted to no less a sum than £ 15,111,021, whilst immediate delivery of coin by the BANK OF ENGLAND, in exchange for the bullion representing this vast amount of coinage in one year, has been punctually maintained. But, in considering whether the UNITED STATES are likely or not to keep up an immediate exchange of coin for bullion under the pressure of a similar continuous demand, we must well examine whether there be the same binding obligation in their law as exists in ours.

The English law is as follows (see section 4 of Bank Act of 1844):

And be it enacted, that from and after the 31st day of August, 1844, all persons shall be entitled to demand from the Issue Department of the BANK OF ENGLAND, Bank of England notes in exchange for gold bullion, at the rate of £3 17s. 9d. per oz. of standard gold; provided, always, that the said governor and company shall in all cases be entitled to require such gold bullion to be melted and assayed by persons approved by the said governor and company at the expense of the parties tendering such gold bullion.

The American law is as follows (see Section 47 of Coinage Act of 1873:

That for the purpose of enabling the mints and the assay office in New York to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay office, *when the state of the Treasury shall admit thereof*, such an amount of public money, or bullion prepared for the purpose, as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay office may be paid the value thereof, in coin or bars, as soon as practicable after the value has been ascertained; and on payment thereof being made, the bullion so deposited shall become the property of the UNITED STATES; but the Secretary of the Treasury *may at any time withdraw the fund or any portion thereof.*

Whilst our English law is thus rigorously exact and equitable in its operation, and is thoroughly well understood as entitling the bearer to immediate delivery from the Issue Department of the BANK OF ENGLAND of notes which are immediately convertible into coined money in exchange for bullion, the American law is not entitled to the same commendation. On the contrary, it is distinguished for an elastic or discretionary vagueness. This leaves it open to any one to put his own interpretation upon the words which make it the duty of the Secretary of the Treasury to provide a fund for immediate exchange of coin for bullion, only "when the state of the Treasury shall admit;" and upon those words which gives permission to the same functionary that he "may at any time withdraw the fund or any portion thereof." The fact is that all permissive legislation is bad, but permissive legislation in matters that concern the standard of value defeats its own object, and is radically unsound and deceptive.

In continuation of the remarks made upon a former occasion, it may now further be remarked that Senator AMES' bill to establish the Custom-house value of the sovereign, or pound sterling, of GREAT BRITAIN at $ 4.86,65 has now become law. The new valuation which at once supersedes the Custom-house valuation of $ 4.84 in force since 1842, is to be applied in appraising merchandise imported, where the value, by the invoice, is in sovereigns or pounds sterling. This is tantamount to an increase of nearly 0.5475 per cent., *i. e.*, to

an addition of more than one-half per cent. to all import duties and *ad valorem* charges on British manufactures, or imports from GREAT BRITAIN into the UNITED STATES, when the value of the invoice is in pounds sterling. It seems to be a growing fashion for international arrangements to be made by one nation without the consent of other nations concerned. Query, What are our diplomatic or consular representatives about, whilst such transactions as Senator AMES' bill become law without protest or objection on their part?

I am, Sir, your obedient servant,

5th June, 1873. FREDERICK HENDRIKS.

THE CAUSES AND EFFECTS OF THE RECENT FALL IN FOREIGN LOANS.

From the London Economist.

The continued discredit of large classes of foreign government securities has lately been the subject of a good deal of observation, and we have more than once adverted to it. Within the last few weeks, however, another important step has been taken in the long continued decline, the class of new South American securities having been subjected to another heavy fall, especially Bolivian and Paraguay stocks, so that there is now only one or two on the whole list which are quoted at more than half the original issue price. There is also a pervading dullness in the general field of foreign securities, although French stocks are back to the highest point ever touched since the war, and United States Government stocks have been in quite exceptional favor. A careful inquiry into the causes and possible effects of this long-maintained discredit may therefore be of some use. The experience of the last few months has, in our opinion, been full of instruction, and the lesson should be studied while the facts are freshly remembered.

The magnitude of the phenomenon is among the most important points. From a table which we subjoin, it appears that the decline in the new South American issues from the issue price, and in older foreign stocks from the level of value maintained at a very recent date, represents an aggregate difference in market value of about £50,000,000, and a reduction of nearly 30 per cent. from the higher to the lower aggregate. A large mass of property, amounting to about £180,000,000, has been subject to this enormous depreciation, and the depreciation in many cases amounts to nearly the total disappearance of the market value of the property affected. Of course market value is not the same thing as real value. The whole property could not have been sold at once at the high price, and will not be sold now at the low price, but so great a change must affect many interests and individuals most seriously.

TABLE SHOWING THE DEPRECIATION OF CERTAIN CLASSES OF FOREIGN SECURITIES.

	Price of Issue.	*Present Price.*	*Loss per Nominal £100.*	*Actual Loss per Cent.*	*Capital Affected.*	*Total Depreciation.*
	£	£	£	£	£	£
Bolivian, 6 p. c. 1872.....	68 ..	40 ..	28 ..	41 ..	1,156,000 ..	474,000
Costa Rica, 1871 (1st iss.)	72 ..	52 ..	20 ..	28 ..	360,000 ..	101,000
" (2nd iss.)	74 ..	52 ..	22 ..	30 ..	370,000 ..	111,000
" 7 p. c., 1872..	82 ..	56 ..	26 ..	32 ..	1,968,000 ..	630,000
Honduras, 10 p. c., 1870..	80 ..	17½ ..	62½ ..	78 ..	2,000,000 ..	1,560,000
Paraguay, 8 p. c., 1871..	80 ..	36 ..	44 ..	55 ..	800,000 ..	440,000
" 1872..	85 ..	32½ ..	52½ ..	62 ..	1,700,000 ..	1,054,000
San Domingo, 6 p.c. 1869..	70 ..	22 ..	48 ..	68 ..	530,000 ..	360,000
Peruvian, 6 p. c., 1870..	81¼ ..	71½ ..	9¾ ..	12 ..	9,685,000 ..	1,162,000
" 5 p. c., 1872..	77½ ..	59¼ ..	18¼ ..	24 ..	11,625,000 ..	2,790,000
					29,594,000	8,582,000
	Price, 1872.					
Spanish, 3 per cent......	34 ..	18 ..	16 ..	47 ..	*78,200,000 ..	36,800,000
Egyptian, 1868	92½ ..	87 ..	5½ ..	6 ..	*27,750,000 ..	1,650,000
Turkish, 5 per cent......	54½ ..	52 ..	2½ ..	5 ..	*43,600,000 ..	2,180,000
					179,144,000	49,212,000

* These are estimates of the aggregate market value of the various stocks of SPAIN, TURKEY and EGYPT, which have been subjected to depreciation.

FAILURES IN ROME.—A correspondent writing from the Italian capital to the *Journal des Debats* says: "This city is at present afflicted with a large number of commercial failures, a state of things which had long been expected. As soon as Rome was proclaimed the capital it was invaded by a fever of speculation. A multitude of promoters precipitated themselves on it as a prey, foreign adventurers started all sorts of enterprises, more or less hazardous; banks, especially, were multiplied *ad infinitum*, emitting at pleasure and without any serious control, quantities of paper money which the Government was weak enough to tolerate and the public foolish in accepting; able forgers put into circulation imitations which ruined the credit of the issuing establishments, some of the chiefs of which disappeared; others were arrested on the charge of fraud. The panic became general, and while the Government was preparing a bill to put an end to the abuse, the Romans had recourse to a radical remedy—namely, the refusal of all notes whatever; at present they only accept those of the National and the old Roman banks Besides, the merchants of Florence, Turin, Milan, &c., transferred their establishments here or founded branches. They installed, at great cost, sumptuous offices, decorated with elegant furniture, paintings, mirrors, marbles, bronzes, gilding, &c. Their competitors here strove to imitate the new comers: a contest of prodigality arose, but the number of clients having rather diminished than increased, owing to the ill-will of the princely families and the clergy, the sales did not respond to the hopes of the dealers, who are far from having realized their cost of installation, and now find themselves unable to meet their engagements. The Tribunal of Commerce is severe towards those who make insolvency a speculation to enrich themselves. The Court, at the same time that it commands the seals to be placed, orders the arrest of the bankrupt."

THE BANKING SYSTEM OF ENGLAND.

From *Notes on Banking in Great Britain and Ireland, Sweden, Denmark, and Hamburg.* By ROBERT H. I. PALGRAVE. London: 1873. Octavo.

I.—Bank of England. II.—Banks of Scotland. III.—Circulating Medium.

As the subject of banking has been frequently brought before the Statistical Society of late, it has occurred to me that it might be desirable to endeavor to lay before you a statement of the actual position of the banks of the country at the present time, as far as it can be ascertained. Though it may be impossible to draw such statements up with complete accuracy, yet they may not be without value. They enable a comparative view to be taken of the position of affairs in the country at various periods. More than that, they afford, in the case of a subject like banking, the only correct basis on which a real knowledge of the requirements of the time can be founded. The subject is one which appears to me to require not so much discussion as analysis, and such an analysis it will be my endeavor to lay before you. This society has, in the journals of former years, several statements similar in nature to this one; and in arranging the method on which this inquiry was to be conducted, I have derived great assistance from the very admirable paper on the same subject written by Mr. NEWMARCH in 1851. I have also consulted the papers written by Mr. GILBART and Mr. BABBAGE. Something like twenty years have passed since the date of the latest of these papers, and those twenty years have witnessed a vast extension of banking operations. My desire is to continue an inquiry commenced by writers of so much authority. I can scarcely hope that my knowledge equals theirs, but, to make up this deficiency, I have sought and obtained assistance from many friends, and have thus been able, as I believe, to prepare an estimate as exact as is possible of the present position of this subject. I have added an outline of the banking systems in SWEDEN,

DENMARK and Hamburg. In the case of SWEDEN I have gone into greater detail, and given a translation of the statute by which the business of banking is at present regulated in that country. This enactment, as well as the banking system which has been founded on it, seems to me remarkably well considered and carefully arranged. SWEDEN, like SCOTLAND, owes very much of her present prosperity to a good system of banking. There are several provisions in the banking law of SWEDEN which may be studied with advantage here, great as are the differences between that country and this. I had originally intended to have included other countries of NORTHERN EUROPE in the present inquiry. The difficulty of obtaining reliable and recent information has prevented this from being done. I trust, however, to be able to complete the survey on some future occasion.

I.—STATEMENT OF BANKING IN ENGLAND.

There are now a great many sources whence information as to the amount of banking capital and deposits in England can be obtained. To commence with the metropolis, the accounts of the BANK OF ENGLAND are published weekly. We may take the average position to be as follows:—

Circulation	24	millions, of which about sixteen are metropolitan, and eight provincial.
Deposits—Public and Private, say	25½	millions
Capital and rest	17½	"
	67	"

The amounts held by the private bankers in London must be only a matter of conjecture. In 1851 there were thirty-five city bankers and sixteen west-end bankers, and Mr. NEWMARCH estimated their holdings at an average of £1,250,000 each. There were also fifty-one in 1872, and I believe that I am below the mark in estimating their present holdings at £1,500,000 each. This would give 76½ millions as their holdings. Mr. NEWMARCH allows me to state that he concurs in this as a probable estimate.

The accounts of the joint stock banks in London are published twice a year. In the Commercial History and Review of 1871, published by the *Economist*, the deposits and the capital of the eleven principal London joint-stock banks are given, at 31st December, 1871, as—

Paid-up capital and reserve	£ 10,950,000
Deposits (including acceptances in the case of the London Joint-Stock)	84,730,000
	£ 95,680,000

The particulars are as follows:

TABLE I.—London Joint-Stock Banks, Two Half-Years 1871, Deposits and Capital.

[0,000's omitted, thus £ 26,22=£ 226,22,000.]

Banks.	When Founded.	Deposits and Cash. 31st December.	Deposits and Cash. 30th June.	Capital Paid up and Reserve. 31st December.	Capital Paid up and Reserve. 30th June.
		£	£	£	£
1. London and Westminster	1834	26,22	22,77	3,00	3,00
2. " Joint Stock*	1836	17,79	14,61	1,64	1,64
3. Union	1839	13,80	12,71	1,50	1,50
4. City	1855	2,78	2,36	60	60
		60,59	52,45	6,74	6,74
5. Imperial, Limited	1862	2,25	2,23	50	50
6. Alliance, "	1862	1,46	1,60	87	84
		64,30	55,68	8,11	8,08
7. Consolidated, Limited	1863	2,48	2,45	85	85
8. Central, "	1863	55	57	10	10
9. Metropolitan, "	1863	68	59	21	21
10. London and South-Western, Limited	1862	61	57	18	18
		68,62	59,86	9,45	9,42
11. London and County	1836	16,11	14,50	1,50	1,50
		84,73	74,36	10,95	10,92

The deposits for December, 1872, were about five millions more, but I have given the details for the year 1871, as the remainder of my statements could not be brought later than that date.

There are not the same means of giving an exact account of the capitals and holdings of the joint-stock banks in the country as in London. The balance sheets of many of the provincial joint-stock banks are printed in a supplement to the *Economist* newspaper, and *Banker's Magazine*. From these sources I have been enabled to acquire a great deal of information. Having availed myself of this, I then obtained from those banks whose accounts were not published in the *Economist* or the *Banker's Magazine*, the latest statements issued. Many, however, of the provincial joint-stock banks do not publish any accounts at all. In some cases the balance sheets are read over to the shareholders. Others prepare written statements which are exhibited to the shareholders only. Even less information than this is sometimes given. But in almost every instance, the exceptions being so few as to be quite immaterial, I was able to ascer-

* The London Joint-Stock Bank does not, like all the other banks, separate acceptances from deposits. Hence the £ 17,790,000 above must be largely reduced to arrive at the cash deposits. In December, 1867, the acceptances were given at £ 2,734,000, but may now be much more.

Taken from the *Economist* (supplement), 16th March, 1872, Commercial History and Review, 1871, p. 62.

tain the amount of capital employed, the reserve funds, and the rate of dividend paid. With this assistance, and taking the published statements of deposits held by other banks, either in the same neighborhood or in districts similarly circumstanced, as a guide, I was able to estimate, with I believe considerable exactness, the position of the remainder.

In the twenty-two years since Mr. NEWMARCH wrote, the numbers, and also the holdings, of the provincial banks have greatly extended. In 1851 there were about 900, at the present time there are about 1620 bank offices in ENGLAND and WALES, exclusive of London. This includes the head offices, whether private or joint stock, and their branches. Guided by the information previously mentioned, I am of opinion that the amount of deposits and capital held by each banking office may be averaged at not less than £130,000 each. In this estimate I include the amount of country bank notes in circulation, averaging about five millions. I also include drafts at short dates and at sight, which, taking the returns made by the several banks for composition on stamp duty as a guide, and making an estimate of the probable amount of drafts issued on penny stamps, I cannot believe to be less than from a million and a-half to two millions at one time. I do not include the bank post bills issued by the BANK OF ENGLAND in this sum.

Taking this estimate as a basis, the recapitulation will be, 1620 provincial bank offices in ENGLAND and WALES at £130,000 each, 210 millions in all. I have formed this estimate after very considerable inquiry and reflection; in it are included the capital of the banks themselves, which are often large; and also the amounts as mentioned above of the notes and short drafts in circulation issued by these banks.

The summary of these results will be:

		Capital and Deposits of Bankers in England.	
BANK OF ENGLAND, total resources............	(say)	67	millions.
London bankers, private and joint stock.......	"	174	"
Provincial bankers, private and joint stock....	"	210	"
Total....................................		451*	"

To these sums must be added the proportion of these holdings of the discount houses in London which do not belong to the bankers. These houses are estimated in the Commercial History and Review of the *Economist*, as holding about seventy-eight millions at the close of 1871. A considerable portion of this money was doubtless deposited with these houses by bankers in London, the provinces, and elsewhere. This we must exclude, as it has been already reckoned among the deposits held by the bankers. The particulars are as follows:

* About forty millions of this amount is with "limited companies." some of which, in the provinces, have retained their note circulation. In respect of such issue they continue subject to unlimited liability under "the Companies Act, 1862," 25 and 26 VICT., cap. 89, sec. 182.

TABLE 2.—*London Discount Companies,* 1870 *and* 1871. *Progress of Total Means held as Capital, Reserves, and Deposits of the following Three Companies—National Discount Company,* 1856; *General Credit Company,* 1866; *and United Discount Company,* 1865.*

Description.	31*st Dec.,* 1871.	31*st Dec.,* 1870.
I.	£	£
Capital paid-up	2,437,000	2,437,000
Reserves	571,000	541,0.0
	3,008,000	2,978,000
Deposits	20,587,000	15,935,000
Total means	23,595,000	18,913,000
II.		
Average of three Companies	7,865,000	6,152,000
III.		
Estimate of (say) seven more discount concerns (in all ten) at same average	78,650,000	61,520,000
IV.		
Equal (at an average unexpired date of fifty days of the bills discounted) to a total discount per annum of (say)	574,000,000	430,000,000
V.		
Leaving to fall due at each of the 300 working days (say)	1,600,000	1,400,000

After careful inquiry, I believe that an estimate that three-fifths of this money is deposited by bankers, and two-fifths by other persons, will be as close an approximation as can be arrived at. I do not separately enumerate the deposits of assurance companies referred to by Mr. NEWMARCH, the amount of which for 105 assurance companies, I am informed, was for the year 1871—

Cash balances, chiefly at bankers	£ 2,450,430
Short loans, chiefly deposit accounts, at joint-stock banks, discount houses, &c	1,003,443
	£ 3,453,873

as these sums are already included in the estimate of money in the hands of bankers, or with the discount houses, as not deposited by bankers.

We must now include a new and very important element in London banking, which has sprung up almost entirely since Mr. NEWMARCH wrote. I mean the Foreign and British Colonial joint-stock banks having offices in London. In 1851 there were, as I find by a reference to the banking directories and magazines of that date, only ten of these banks, with paid-up capitals and reserves of about 5½ millions, and deposits probably not much exceeding 20 millions. There were, in 1872, more than forty-five of such banks, with

* Taken from supplement to *Economist,* 1871, Commercial History and Review of 1871, 16th March, 1872. p. 66.

capitals and reserves of about 30 millions, and deposits and circulations of about 120 millions. Some reference to these banks must be made in any statement of English banking; it is extremely difficult to estimate the amount of influence which they exert on the English money market, but I shall endeavor to deal with this question further when speaking of deposits held in ENGLAND. Nor must we, in taking a broad view of the question, lose sight of the large sums held both by the trustee and the post office savings banks. These are stated in the last published number of the "Statistical Abstract" to be as follows:—

Computed Capital of the Savings Banks under Trustees, 1871.

England	£ 31,496,000
Wales	1,066,000
Scotland	4,119,000
Ireland	2,224,000
	£ 38,905,000

Computed Capital of Post Office Savings Banks, 1871.

England and Wales	£ 15,939,000
Scotland	341,000
Ireland	745,000
	£ 17,025,000*

being together about 56 millions. In 1851 the post office savings bank did not exist. The amounts held by the trustee savings banks in that year were £30,277,684.†

These amounts include almost everything in the shape of what may be called banking money in ENGLAND which can be traced. There are, however, doubtless very large sums in the hands of commercial houses and foreign bankers, whose names do not appear in the list of bankers. Of these no estimate which can be of any use can be formed, nor is it needful for the purpose of this inquiry. I have included in my estimate all the houses recognized as bankers in the list in the *Banker's Almanac.* It is the invariable custom, I believe, for the commercial houses and foreign bankers mentioned, to have an account with a recognized banker, and hence their deposits, so far as they affect the banking operations of this country, are brought into consideration in the statement given above.

The banks in ENGLAND, both private and joint stock, remain very similar in constitution now as when described by Mr. GILBART. In no country that I am acquainted with do they vary so much in size. There are great companies, with capitals and liabilities ranging from twenty to thirty millions. There are small companies, with capitals ranging from twenty-five to fifty thousands, whose deposits are probably considerably smaller in amount than the sums which the larger concerns annually pay to their shareholders as dividends. Among

* *Statistical Abstract for the* UNITED KINGDOM, No. 19, 1872, pp. 102 and 103.

† *Statistical Abstract for the* UNITED KINGDOM, No. 11, 1864, p. 77.

the private banks, the differences, though less in extent, are probably very considerable.

There are in ENGLAND and WALES at this date, of private firms carrying on the business of banking:

In London (say)	51	
" the provinces (say)	206	
" with about "	290	branches.
	547	
Joint-stock banks in London and the provinces	116	
With about	1,007	branches.
	1,670	

not including the BANK OF ENGLAND with its eleven branches.

* * * * * * *

Compared with the total population of England and Wales there were—

In 1851	1 bank office to about	20,000	inhabitants.
" 1854	1 "	16,500	"
" 1872	1 "	13,000	"

II.—STATEMENT OF BANKING IN SCOTLAND.

The great assistance rendered by the banking system of SCOTLAND in developing the prosperity of that country is well known. The stability of that system has been greatly promoted by the following provisions of the law:

1. There is no limitation to the *number* of partners.

2. The *private fortune* of every partner is answerable for the debts of the bank.

3. *Land*, as well as other property, *may be attached* for debt.

4. In SCOTLAND, *all land is registered;* so that it is easy for any individual, by referring to the records, to ascertain what landed property is possessed by the partners of the bank, and also whether or not it be mortgaged. The following is the language of the report of the committee of the House of Commons, appointed in 1826 to consider the expediency of abolishing all notes under £5:

There is no limitation upon the number of partners of which a banking company may consist; and, excepting in the case of the BANK OF SCOTLAND, and the two chartered banks, which have very considerable capitals, the partners of all banking companies are bound jointly and severally, so that each partner is liable to the whole extent of his fortune for the whole debts of the company.

A creditor in SCOTLAND is empowered to attach the real and portable, as well as the personal estate of his debtor, for payment of personal debts, among which may be classed debts due by bills and promissory notes; and recourse may be had for the procuring payment to each description of property at the same time. Execution is not confined to the real property of a debtor merely during his life, but proceeds with equal effect upon that property after his decease.

The law relating to the establishment of records gives ready means of procuring information with respect to the real and heritable estate of which any person in SCOTLAND may be possessed. No purchase of an estate in that country is secure until the seisine (that is, the instrument certifying that actual delivery has been given) is put on record; nor is any mortgage effectual until the deed is in like manner recorded.

In the case of conflicting pecuniary claims upon real property, the preference is not regulated by the date of the transaction, but by the date of its record. These records are accessible to all persons; and thus the public can with ease ascertain the effective means which a banking company possesses of discharging its obligations, and the partners in that company are enabled to determine with tolerable accuracy the degree of risk and responsibility to which the private property of each is exposed.

There are other provisions of the law of SCOTLAND which it is not necessary minutely to detail, the general tendency of which is the same with those above mentioned.*

I have referred to these points, because in some of them there is a difference between the practice in ENGLAND and in SCOTLAND.

The Scotch banks are few in number, but with numerous branches, ramifying down to very small places. Great facilities are thus afforded to the public, even in the most remote districts.

There were stated to be, in the *Banker's Almanac* for 1873:

1	bank with	18	branches.
1	"	33	"
1	"	39	"
1	"	61	"
1	"	75	"
1	"	75	"
1	"	83	"
1	"	93	"
1	"	94	"
1	"	112	"
1	"	118	"
11	"	801	"

The corresponding number was given in 1872 as:

11 banks with....................779 branches.

*Gilbart's *Practical Treatise on Banking*, pages 503 and 504.

So considerable was the extension of banking in SCOTLAND in that one year.

From the small number of head offices, and the fact that most of these are situated in Edinburgh, it has been easy for the banks to form arrangements among themselves for the regulation of their business. A bank of doubtful solvency would find it difficult to carry on its operations among them.

Hence a check can be given to undue speculation if it arises, and the abuses connected with rediscount by means of fictitious bills effectually prevented. And a uniformity of practice in the conduct of the business has been obtained throughout the whole of SCOTLAND. Hence also the existing banks have always at their command a number of well-trained and long-tried officers, accustomed to a sound and carefully arranged method of business, who may be depended on to carry out the instructions of the principal managers of the bank at the most distant stations. Those who have any practical experience, and who therefore understand how much the good success of a banking business depends on the conduct of its officers, will know how to appreciate the value of the advantage but imperfectly described in these few words.

The banks are, without exception, banks of issue. The advantage thus obtained enables them to conduct their business more economically, to the benefit both of their customers and of their shareholders.

The banks have, almost without exception, large capitals. On these they scarcely pay high dividends, according to the English standard. The dividends on the stock in banks of SCOTLAND range from 8 to 14½ per cent. The eleven banks in 1872 distributed to their proprietors as dividends £1,099,000. To ascertain how far this came from profits of banking, it is necessary to deduct the interest on paid-up capital, and other funds belonging to the banks. These, as shown by their published balance sheet, amounted to £12,497,000, and if the interest be taken at 5 per cent., as is usual in commercial business, the amount thus to be deducted is £624,000, leaving £475,000 to represent the net profits derived by the banks from being the custodiers of £82,500,000 belonging to the public, *or at the rate of eleven shillings and sixpence per cent. per annum on that amount.* It may be added that this is the largest aggregate amount of dividend ever distributed by the Scotch banks.* Altogether a sobriety in the conduct of the business has been encouraged, to the great and abiding advantage of the country. The business carried on by any weak bank has been quickly absorbed, and transferred to more powerful institutions. A system affording a very high degree of security to the public, and capable of adapting itself to the changing circumstances of the country, has thus been gradually established.

* * * * * * *

*From a Pamphlet on *The Rate of Discount and the Bank Acts.* Glasgow, 1873.

The system of making advances on cash credits, that is, on the personal security of two bondsmen, as practiced in SCOTLAND, tends to encourage the natural thriftiness of the people.

The young man starting in life with but small capital, knows that he can only obtain the needful assistance to carry his business on through the help of a banker. This assistance will not be granted except through the mediation of his sureties, and unless his character stands well for industry and dependability, he is not likely to find friends willing to risk their property in backing him. Besides this, the sureties are entitled to inspect the state of the account which they guarantee, and to ascertain for themselves whether it is conducted in a satisfactory manner. Bankers are bound by the first principles of their business not to disclose the state of a customer's account to an unauthorized person. The sureties are, however, entitled, for their own security and protection, to this information, as regards the accounts which they guarantee. It is easy to see how advantageous to the prosperity of a country it must be, that the young traders should be thus taught that without a reputation for honesty they will be seriously hampered in their first starting in life. Meanwhile the banks, from being few in number, with their head offices principally in one place, possess great facilities for ascertaining whether the guarantors have given their names as sureties for larger sums, or to more persons than their means would justify, and in other respects stand to a very great advantage for ascertaining whether the business of the country generally, is in a healthy condition or not.

The large number of branches must, however, be a cause of great expense, and in several other respects it is obvious that a business carried on in such thinly-peopled districts as are found in many parts of SCOTLAND, must be conducted to a disadvantage in comparison with those banks which deal with more active centres of commerce. Although the profit derived from their large issues of notes may be considerable, yet, when we consider the many expenses incurred in condncting a large note circulation, the cost of printing, stamp duty, and the charges on importing gold from London when the circulation exceeds the limit fixed by the act of 1845, no small deductions must be made from the apparent profit to be derived from this head.

On the other hand, the great number of branches possessed by the Scotch banks tends beyond doubt to their stability and prosperity. It is hardly likely that the whole of a large country, with an energetic population, carrying on different industries in different districts, will suffer from want of prosperity over its entire extent at the same time. If one portion is depressed it is likely that another will be prosperous. Hence a deficiency of deposits in one district will probably be compensated by an increase in another. Hence also in ordinary times the deposits which cannot be profitably employed in one portion of the country, occupied by the branches of a large bank, will be eagerly sought for by the customers in another town served

by the same system. Some districts too poor to support banks of their own, may yet form very desirable fields for the employment of the capital which cannot find occupation in another county. The network of banks on the surface of SCOTLAND is as important to the development of the prosperity of the country as the network of the railways. It has caused a great economy of capital, as the universal practice of people, even of the most moderate means, is to lodge their money with the banks.

III.—CIRCULATING MEDIUM.

It is only from a historical point of view that we can, at the present time, understand the great importance ascribed by Sir ROBERT PEEL to regulating the amount of bank-note money in circulation, whether those notes were issued by the BANK OF ENGLAND, private, or joint stock banks.

* * * * * * *

A comparison of the facts as existing in 1819, 1844, and 1872, will enable us to understand how completely the circumstances have altered during the last fifty years.

In 1819, the amount of notes in circulation was—

Of Bank of England notes	£ 25,657,610
" English country "	15,701,338
A total of more than	£ 41,000,000

* * * * * * *

In 1844 the gold circulation was estimated by Mr. NEWMARCH at 36 millions.* The note circulation of the whole kingdom was 37 millions. The notes were, therefore, slightly in excess of the gold at that time.

In 1872 the metallic circulation altogether may be estimated at about 105 millions.† The note circulation of the whole kingdom was 43 millions; instead, therefore, of the notes being more than the metallic circulation, they are much less than one-half of it, and are probably but little more than one-third of the specie circulation and the bullion in the BANK OF ENGLAND taken altogether.

* *Tooke and Newmarch's History of Prices*, vol. vi., p. 701.

† Estimate based on Professor JEVON'S statement, *Statistical Society's Journal*, 1868, pp. 446, and the account of the "Coinage of Gold for Twenty-four Years," *Economist*, 29th June, 1872.

Bank Note Circulation of the UNITED KINGDOM, 1844–1872.

	Bank of England.			Private and Joint-Stock Banks.		
Year.	*London.*	*Branches.*	*Total.*	*Private.*	*Joint-Stock.*	*Total.*
1844	£13,740,000	£6,510,000	£20,250,000	£4,780,000	£3,390,000	£8,170,000
1845	13,600,000	7,130,000	20,730,000	4,510,000	3,190,000	7,700,000
1846	13,680,000	6,770,000	20,450,000	4,550,000	3,170,000	7,720,000
1847	12,710,000	6,530,000	19,240,000	4,540,000	3,090,000	7,630,000
1848	12,290,000	5,830,000	18,120,000	3,660,000	2,600,000	6,260,000
1849	12,590,000	5,900,000	18,490,000	3,560,000	2,630,000	6,190,000
1850	13,260,000	6,260,000	19,520,000	3,580,000	2,740,000	6,320,000
1851	13,110,000	6,420,000	19,530,000	3,460,000	2,740,000	6,200,000
1852	14,970,000	6,940,000	21,910,000	3,550,000	2,860,000	6,410,000
1853	14,870,000	7,810,000	22,680,000	3,800,000	3,050,000	6,850,000
1854	13,450,000	7,380,000	20,830,000	3,770,000	3,030,000	6,800,000
1855	12,760,000	7,040,000	19,800,000	3,830,000	3,050,000	6,850,000
1856	12,660,000	6,970,000	19,630,000	3,750,000	3,050,000	6,800,000
1857	12,470,000	7,000,000	19,470,000	3,620,000	3,010,000	6,630,000
1858	13,340,000	6,880,000	20,220,000	3,240,000	2,760,000	6,000,000
1859	13,660,000	7,660,000	21,320,000	3,440,000	2,990,000	6,430,000
1860	13,340,000	7,910,000	21,250,000	3,440,000	3,000,000	6,440,000
1861	12,620,000	7,390,000	20,010,000	3,220,000	2,890,000	6,110,000
1862	13,350,000	7,480,000	20,830,000	3,220,000	2,890,000	6,110,000
1863	13,240,000	7,440,000	20,680,000	3,140,000	2,880,000	6,020,000
1864	13,000,000	7,570,000	20,570,000	3,110,000	2,850,000	5,960,000
1865	13,370,000	7,720,000	21,090,000	2,950,000	2,850,000	5,800,000
1866	14,710,000	8,480,000	23,190,000	2,760,000	2,280,000	5,040,000
1867	14,850,000	8,610,000	23,460,000	2,730,000	2,300,000	5,030,000
1868	14,940,000	8,990,000	23,930,000	2,740,000	2,300,000	5,040,000
1869	14,590,000	8,860,000	23,450,000	2,730,000	2,330,000	5,060,000
1870	14,470,000	8,830,000	23,300,000	2,590,000	2,300,000	4,890,000
1871	—	—	24,410,000	2,680,000	2,310,000	4,990,000
1872	—	—	25,540,000	2,700,000	2,390,000	5,090,000

We can trace by the aid of this table the general course of the note circulation in the UNITED KINGDOM from the year 1844 to the close of 1872. It will be observed that the note circulation has extended but little in total amount during that time, when compared with the great expansion in other departments of banking business, as shown in Paragraphs II, III, V and XII, the amount of the note circulation (col. 11) being 37 millions in 1844, and 43 millions in 1872. The circulation in *gold* has increased probably as fast as the increase in retail trade and the total of wages. But the circulation in *notes* has increased very slowly indeed. The extension in the use of checks for sums of £5 and above has supplanted the use of notes. But the number of checks under £5 is so small as not materially to supplant the use of coin, which is chiefly used for retail trade and wages. And in the case of the country note circulation, as will be mentioned further on, the power of issue is to a great extent in the agricultural districts, where notes are now but little wanted, and comparatively less in the manufacturing and industrial districts, where such a note issue might be of service.

In Mr. GROTE's opinion, therefore, no security from fluctuations is to be expected from causing a currency partly composed of bank notes and partly of coin, to be always of the same amount as a purely metallic currency would be. This was likewise the opinion of Mr.

TOOKE and of Mr. JAMES WILSON. It is, indeed, obvious that it is not the currency itself which is the prime mover in these fluctuations. The cause is to be found in another direction. It will be seen indicated in the amount of the banking reserves. Meanwhile an increase rather than a diminution of the sensibility of the discount market is to be looked for. In the Scotch and Irish portions of the note circulation an increase, if they remain on their present footing, may be expected. That portion of their issues which is in £1 notes takes the place of sovereigns, and as the demand for coin increases with the increasing requirements of the country, the demand for £1 notes also increases. An increase in the country circulation of the BANK OF ENGLAND is likewise probable. The Irish and Scotch circulations, when above the limit fixed in 1845, and the English country circulation, so far as that consists of BANK OF ENGLAND notes, press on the reserve of the BANK OF ENGLAND exactly as if the notes were so many sovereigns. These notes are the symbols of as many sovereigns removed from the Banking Reserve to the Issue Department. Hence a purely provincial and home demand operates in exactly a similar way as a demand for export induced by the state of the foreign exchanges. But it was to bring the note circulation into accordance with the demand indicated by the state of foreign exchanges that the act of 1844 was framed. The state of the foreign exchanges has, however, less influence on the provincial demand for an increased circulating medium than the state of the weather throughout the year. The influence of the weather on the harvest has a decided effect on the provincial note circulation, while the state of the foreign exchanges is absolutely unknown. The demand for BANK OF ENGLAND notes which accompanies the demand for gold referred to in Par. IX, as caused by the autumn requirements, is also now very large, and cannot be overlooked in any statement of this nature. All these demands for foreign and for domestic requirements, though totally dissimilar in character, have now precisely the same effect on the BANK OF ENGLAND reserve. The close connection between the extent of the Scotch and Irish circulations and changes in the rate of discount at the BANK OF ENGLAND has frequently been noticed.

I cannot quit this part of the subject without expressing my complete concurrence in the opinion of the late Mr. JAMES WILSON, expressed during the debate on the commercial crisis, 30th November, 1847, that "he believed the great error into which we had fallen was the confining our attention too much to the subject of circulation, and not directing it sufficiently to the subject of capital, capital being represented by the amount of the deposits in the hands of the bankers.'

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & CO.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page 274, October No.*)

STOCKS.	JULY, 1873.		AUG., 1873.		SEPT., 1873.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	119¾	120⅛	119⅛	120½	115¼	119⅞
" Five-Twenty of 1862, "	116½	117½	117	117½	113⅝	113⅞
" " 1864, "	116½	117¾	117	117⅝	114¼	117¼
" " 1865, "	118	119½	118¾	119⅝	110	118¾
" " 1865, New, "	116	118⅞	117	117¾	111¾	116⅞
" " 1867, "	117¼	119⅛	118⅝	119⅝	113¾	119¼
" " 1868, "	117½	118¾	118	119	113	118⅞
" Ten-Forty Coupon Bonds.....	114¼	115½	115½	116⅛	116	114¾
" Five per cent. of 1881.........	114⅝	115⅞	113¾	114⅞	111½	114⅞
" Six per cent. Currency.........	114¼	115½	113½	114⅝	107¾	113⅝
Tenn. Six per cent. Bonds, Old.....	80¼	81⅝	81¼	82½	72	82⅝
" " " New.....	79¾	81½	81⅝	82¼	72½	82
Virginia Six per cent. Bonds, Old..	..	..	..	..	..	..
" " " New....	50	50	..	..	..	..
" " " Consol..	52¾	54⅛	51¾	53¼	51	52
N. Carolina Six per ct. Bonds......	28	28	..	..	27	27½
" " New.......	16	16	16	16	..	..
" " Special Tax	13	14	..	..	..	..
S. C. Six per ct. Bds. Jan. & July..	14½	15¼	15	15	14	14
" " April & Oct..	20¼	20¼	..	..	14	30
Missouri Six per cent. Bonds........	92	94	92	93¼	84	92¼
Canton Company of Maryland.....	99½	103	98	102	70	98⅛
Delaware and Hudson Canal Co....	114½	120	112½	114½	111	114
Consolidated Coal Co. of Maryland.	54	55¾	54	55	40	54¼
Quicksilver Mining Company......	37	39½	38	39⅞	18	35½
" " Preferred	48	48	..	..	30	45
Mariposa Mining Company........	..	..	..	..	..	..
" " Preferred	..	..	½	½	..	..
Western Union Telegraph Co......	84¼	93½	87⅞	93⅝	54¼	92½
Pacific Mail Steamship Company..	34½	40	36¾	45½	31	44⅝
Adams Express Company..........	94¼	95	92¼	95	84½	92¼
Wells, Fargo & Co. Express Co....	72	78	72½	74½	56	75
American Merchants' Union Express	61½	65	61½	64	57½	62⅝
United States Express.............	65⅝	73	67	68¼	51	68⅛
N. Y. Cent. and Hudson River R. R.	101¾	105¾	103⅞	105¾	89	105⅛
Erie Railroad, Common...........	58	65½	58⅝	61⅞	50¾	59⅞
" Preferred...........	71½	73½	72	73½	66	73½
Harlem Railroad, Common Shares.	125	134	130¼	133⅞	90	130¼
Reading Railroad Shares..........	..	..	..	..	..	..

Stocks.	July, 1873. Lowest.	Highest.	Aug., 1873. Lowest.	Highest.	Sept., 1873. Lowest.	Highest.
N. York & New Haven R.R. Shares..	134	138	136	138	135½	136½
Michigan Central Railroad Co.....	90	95½	91	95½	80	90¾
Lake Shore & Mich. Southern R.R..	91⅝	96½	92¼	95⅝	73	93
Panama Railroad Company Shares..	110	117¾	113	116½	84	117½
Union Pacific Railroad “ ..	24½	29¼	25¾	29	17½	27½
Illinois Central Railroad “ ..	106	110½	106¼	109	103½	105½
Cleveland & Pittsburgh R.R. “ Gtd.	86	89¼	87⅞	89½	79½	87¼
“ Col., Cinn. & Ind. R.R...	85	89	84	86	78	85
Chicago, Rock Island & Pacific R.R.	108⅞	111¾	108⅜	110¾	86	108⅞
“ Burlington & Quincy “	98¼	105	98¾	106	90	98½
“ & Alton Railroad Shares..	108½	109½	104¼	110	100	104
“ “ “ Pref.	..	..	111½	111½	..	..
“ & Northwestern R.R. Shares	68⅜	71¾	64	69¼	40	65
“ “ “ Pref.	80½	84	81¼	83¾	64	82
Del., Lackawanna & West. R.R. Co.	97¼	102⅛	100	102	86	100½
Pittsb'gh, Ft. Wayne & Chic., Guar.	93¼	93¾	93½	94	93⅝	94⅛
Toledo & Wabash R.R. Co. Shares.	68⅛	73⅛	67¼	73	39½	70½
“ “ “ Pref.	85	85	..	..	..	..
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
“ “ “ Pref.	..	..	..	..	39	39
Ohio & Mississippi R.R. Co. Shares	38½	41¼	38	40⅝	26½	39¼
Hannibal & St. Joseph R.R. “	36¾	42	36	39½	19	37¾
“ “ “ Pref.	54¼	60	52	54¼	33	50
Milwaukee & St. Paul R.R. Shares	50¾	53⅞	50⅝	53¾	30	51
“ “ “ Pref.	72½	74¾	70	74	56	70⅞
Boston, Hartford & Erie R.R. Shares	2¾	3	2½	2¾	1⅞	2¾
Col., Chic. & Ind. Cen. R.R. Shares	27¾	33¾	30	32⅝	19	31½
Dubuque & Sioux City Railroad...	54	58	60	62	..	..
New Jersey Central Railroad Shares	101½	105¾	102¼	103½	91¼	102½
Morris & Essex Railroad Shares...	91	92½	91¼	92⅝	91	91½
N. Y. Central Six p. ct. Bds. of 1883	93	94	91¾	93	92	92¼
Erie First Mortgage Bonds of 1868..	102½	104	104	104¼	104⅝	104⅝
Long Dock Bonds................	96	96	95¾	96	94¾	95
Mich. Southern Sinking Fund Bonds	103	105	104	104	104¾	105
“ Seven p. ct. 2d Mtge.	98¾	99½	99⅞	99⅞	99	99¾
Central Pacific 1st Mortgage Bonds	99⅞	101¼	99⅝	100⅝	80	100¼
Union “ “ “	81	86	80	82½	72½	80¾
“ “ Land Grant Bonds..	69½	72	71	73½	70⅞	73
“ “ Income Bonds.......	59¼	61	61⅝	65	50	59¼
Alton & Terre Haute 1st Mtge. Bds.	98	98¼	99	100	..	..
“ “ 2d “ Pref.	90	90¾	87½	88	87	87
“ “ “ Income Bds.	78	78	..	..	76½	76½
Belleville & So. Ill. 1st Mtge. 8 p. ct.	..	..	..	..	96⅞	96⅞
Chic. & N. W. Consol'n S. F. Bonds	92	93¼	90½	92¾	89½	90
“ “ 1st Mortgage Bonds..	101	102	97	100	99	99
Cleveland & Tol. Sinking Fund Bds.	..	..	101	101½	101¾	101¾
“ & Pittsb'gh Consol'n Bds.	95	95	..	..	..	..
“ “ Second Mtge.	102⅛	102⅛	..	..	..	..
“ “ Third “	98¼	98½	98	99	..	..
“ “ Fourth “	85	85¼	85½	87½	87½	87½
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	102¾	103	102	102¾	101½	102½
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds.	100	102	96	97	96½	96½
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	88½	89	89¼	90¼	88¾	89½
“ “ “ “ 2d “	71½	72½	69½	70	68	69
Toledo, Peoria & Warsaw 1st, E D.	91	91	92	93	..	..
“ “ “ 1st, W D.	90	90½	..	..	87	87½
“ “ “ 2d, W D.	75	76	77	77	..	..
Cedar Falls & Minn. 1st Mtge. Bds.	78½	80	79¾	79¾	75½	78½
Boston, Hart. & Erie 1st Mtge. Bds.	32	34½	31⅝	34½	22¾	31½

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 273, October No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of September, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

	SEPT.	1873.		1872.		1871.		1870.		1869.		1868.	
1	Monday...	15¼	16	Sun.		**12¾**	12⅞	16⅜	**16¾**	33⅛	33⅝	44⅝	45
2	Tuesday ..	15¾	**16⅛**	13⅛	13¾	12⅞	13	16	16⅜	33⅛	34¼	44¾	**45⅛**
3	Wednesday	15⅞	16⅛	13	13¼	Sun.		14	15⅜	35¼	36	43⅞	44⅝
4	Thursday..	15⅝	15⅞	13	13¼	13	13⅜	Sun.		35½	37⅜	43¾	44¼
5	Friday	14½	15½	13	13¼	13	13¼	13¼	14⅝	Sun.		44¼	44¾
6	Saturday ..	12⅞	14½	12¾	13⅛	13⅛	13⅜	14⅛	15	36¼	37¾	Sun.	
7	**Sunday.**	Sun.		**12¾**	13	13¼	13¾	14⅛	15⅝	36⅛	37	44⅝	45
8	Monday...	12	12⅞	Sun.		13⅜	13⅝	13⅜	14⅛	34½	36⅛	44⅛	44½
9	Tuesday...	11⅝	12¼	13	13⅜	13½	13⅞	13⅝	14¼	34¾	35⅞	44⅛	44½
10	Wednesday	**10⅞**	11½	12⅞	13⅜	Sun.		13¾	14⅛	35	35¼	44⅜	44⅝
11	Thursday..	11	11¾	12⅞	13⅛	13⅞	14¼	Sun.		35¼	35⅞	43⅞	44¼
12	Friday	11¼	11⅞	12⅞	13¼	13⅞	14⅛	13⅝	13⅞	Sun.		44	44⅜
13	Saturday ..	11⅜	12	12⅞	13⅛	13⅞	14⅛	13⅝	14	35½	35⅞	Sun.	
14	**Sunday.**	Sun.		13	13½	13⅜	14⅛	14	14⅜	35½	35¾	43⅝	44½
15	Monday...	11	11⅝	Sun.		14	14¼	13⅞	14⅜	35⅞	36½	43¾	44⅛
16	Tuesday ..	11	11⅞	13⅜	13¾	13⅞	14¼	14	14⅛	36¼	36½	43¾	44⅞
17	Wednesday	11⅛	11⅜	13⅝	14⅝	Sun.		13⅞	14⅛	36¼	36¾	44⅛	44⅞
18	Thursday .	11¼	12⅞	13⅞	14⅝	14⅛	14½	Sun.		36½	36¾	44⅝	44¾
19	Friday	11½	13⅛	13¾	**15⅛**	14⅜	15	13⅝	14	Sun.		44⅛	44⅝
20	Saturday ..	11⅛	12⅝	14	15⅛	14¼	14⅝	13¾	13⅞	36¾	37⅜	Sun.	
21	**Sunday.**	Sun.		13⅝	14⅛	13⅞	14¾	13⅝	13⅞	37½	37¾	43¾	43⅜
22	Monday...	*112		Sun.		13⅞	14¼	13¾	13⅞	37⅝	40⅝	42⅝	43½
23	Tuesday ..	11⅝	12¼	13¾	14⅛	14¾	**15⅝**	13	13¾	41	44	42¾	43⅛
24	Wednesday	11⅝	12½	13⅝	14	Sun.		**12¾**	13⅛	33	**62½**	41⅛	42⅝
25	Thursday..	11⅛	11⅝	13½	14	14¾	15	Sun.		33	35	41½	42½
26	Friday	11½	14½	13⅞	14	14	14½	13⅛	13½	Sun.		42	42½
27	Saturday ..	13¼	15½	13⅝	14	14⅜	14¾	13¼	13¾	34½	35	Snn.	
28	**Sunday.**	Sun.		13½	13⅞	14½	15	13⅜	14	31½	33	41½	42¼
29	Monday...	11¾	13¼	Sun.		14⅜	14⅞	13⅜	14	31	32	41⅛	41¾
30	Tuesday...	11⅝	12½	13⅜	14⅛	14⅜	14⅞	No Board.		**30¾**	32	**41⅛**	41⅝

* On 22d, the Gold Exchange was closed, for purchases and sales, on account of the financial difficulties. The rate fixed for settlement of the day between members was 112.

MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

DATE.	1868.		1869.		1870.		1871.		1872.		1873.	
January ..	33¼	42¼	34⅝	36⅞	19⅜	23¼	10½	11¼	8½	10⅛	11⅝	14¼
February .	39⅝	44	30⅞	36⅛	15	21¼	10¾	12¼	9½	11	12⅞	15⅛
March	37⅞	41⅜	30½	32½	10¼	16	10⅛	11⅝	9¾	10½	14⅝	18½
April	37¾	40⅜	31⅜	34¾	11½	15⅝	10⅛	11¾	9⅞	13½	16¾	19⅛
May	39⅛	40½	34⅝	44¾	13¾	15½	11	12¼	12⅛	14⅜	16⅝	18⅜
June	39⅜	41¼	37	39⅜	10⅞	14¾	11¾	13⅛	13	14¾	15	18¼
July	40⅛	45¼	34	37⅞	11⅛	22¾	11¾	13⅜	13½	15¼	15	16⅜
August ...	43½	50	31¼	36⅝	14¾	22	11⅝	13¼	12⅛	15⅝	14⅜	16¼
September.	41⅛	45¼	33⅛	62½	12¾	16¾	12¾	15⅜	12¾	15⅛	10⅞	16⅛
October...	33¾	40⅜	28⅛	31¾	11⅛	14¼	11½	15	12¼	15⅛	—	—
November.	32⅛	37	21⅛	28⅜	10	13¼	10⅜	12⅜	13⅜	14¼	—	—
December.	34½	36¾	19	24	10½	11⅜	8⅜	10⅜	11½	13¼	—	—

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to October 1, 1873.

	January 1, 1869.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*September* 1, 1873.	*October* 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$221,589,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	250,000,000	274,000,000
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	987,117,300	952,263,850
	$2,107,835,350	$1,935,342,700	$1,853,856,700	$1,756,651,450	$1,734,420,950	$1,723,567,500
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$50,097,000	$61,618,832	$64,618,832	$64,623,512	$64,623,512	$64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$119,962,000	$122,847,194	$101,321,832	$82,081,512	$79,301,512	$79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$7,463,503	$7,315,822	$1,739,938	$4,084,220	$12,902,730	$15,956,130
BEARING NO INTEREST:						
United States Notes	$356,021,073	$356,101,086	$357,592,801	$358,642,295	$356,079 937	$356,079,742
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	44,889,592	46,229,392
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	44,493,000	33,935,400
Currency, do. do.	....	....	....	25,370,000	32,240,000	11,250,000
	$417,272,808	$422,245,175	$434,419,378	$452,997,356	$477,702,529	$447,494,534
Aggregate Debt	$2,652,533,662	$2,487,750,892	$2,391,328,848	$2,295,814,538	$2,304,327,721	$2,266,119,676
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	131,494,537	94,785,790
Debt, less coin and currency	$2,540,707,201	$2,349,664,320	$2,264,034,528	$2,186,208,689	$2,172,833,184	$2,171,333,886

Coin in the Treasury, October 1, 1873, $80,246,758; Currency, $14,539,032; total, $94,785,790.

THE NEW YORK CLEARING HOUSE.

This institution has been organized twenty years, during which time its aggregate transactions have amounted to $ 387,581,764,227.49.

The transactions of the Clearing House for the year ending September 30, 1873, were as follows:

Currency Exchanges	$ 33,972,773,942 97
Currency Balances	1,152,372,108 25
Gold Exchanges	1,482,279,081 73
Gold Balances	322,095,916 70
Total transactions, 1872–3	$ 36,929,521,049 65

This has been accomplished without error or loss.

Annual meeting postponed this year until first Wednesday in January next. Consequently no change in officers until that time.

The following banks are the only ones in the city that are not members of the "Clearing-House Association":

1. Eleventh Ward Bank. 2. Bull's Head Bank. 3. Fifth National Bank. 4. Sixth National Bank. 5. National Currency Bank. 6. The Germania Bank. 7. Ninth Ward Bank. 8. The West Side Bank. 9. N. Y. Gold Exchange Bank. 10. Security Bank. 11. Harlem Bank. 12. Manufacturers and Builders'. 13. Murray Hill Bank. 14. Bank of the Metropolis 15. The Produce Bank. 16. The Loaner's Bank. 17. German Exchange Bank.

Operations for Twenty Years—October, 1853, to October, 1873.

Oct. to Oct.	*Exchanges.*	*Cash Balances Paid.*	*Average Daily Exchanges.*	*Ave. Daily Balances.*
1853—1854	$ 5,750,455,987	$ 297,411,493	$ 19,104,504	$ 988,078
1854—1855	5,362,912,098	289,694,137	17,412,052	940,565
1855—1856	6,906,213,328	334,714,489	22,278,107	1,079,724
1856—1857	8,333,226,718	365,313,901	26,968,371	1,182,245
1857—1858	4,756,664,386	314,238,910	15,393,735	1,016,954
1858—1859	6,448,005,956	363,984,682	20,867,333	1,177,943
1859—1860	7,231,143,056	380,693,438	23,401,757	1,232,017
1860—1861	5,915,742,758	353,383,944	19,269,520	1,151,087
1861—1862	6,871,443,591	415,530,331	22,237,681	1,344,758
1862—1863	14,867,597,848	677,626,482	48,428,657	2,207,252
1863—1864	24,097,196,655	885,719,204	77,984,455	2,866,405
1864—1865	26,032,384,341	1,035,765,107	84,796,040	3,373,827
1865—1866	28,717,146,914	1,066,135,106	93,541,195	3,472,752
1866—1867	28,675,159,472	1,144,963,451	93,101,167	3,717,413
1867—1868	28,484,288,636	1,125,455,236	92,182,163	3,642,249
1868—1869	37,407,028,986	1,120,318,307	121,451,392	3,637,397
1869—1870	27,804,539,405	1,036,484,821	90,274,478	3,365,210
1870—1871	29,300,986,682	1,209,721,029	95,133,073	3,927,665
1871—1872	33,844,369,568	1,428,582,707	105,964,277	3,939,265
1872—1873	33,972,773,942	1,152,372,108	111,022,137	3,765,921

$ 369,571,908,170 94	Total Exchanges for twenty years.
14,782,820,013 27	Total Balances for twenty years.
$ 384,354,728,184 21	
2,689,651,246 29	Total Gold Exchanges for one and a-half year.
537,384,796 99	Total Gold Balances for one and a-half year.
$ 387,581,764,227 49	Total Gold and Currency Exchanges for twentyyears.

BANKING AND FINANCIAL ITEMS.

NATIONAL BANKS.—The Comptroller of the Currency has issued circulars calling upon all the National banks for a report of their condition at the close of business on Friday, the 12th of September, 1873. The Bank Superintendent of the State of NEW YORK has already called for a report of the condition of all the State banks of that State for the same day, so that complete statistics of all the banks, State and National, in the City and State of NEW YORK can be compiled from these returns when received. The Comptroller has also selected this day in order that he may be able to furnish complete statistics of the condition of the National banks of the whole country just previous to the beginning of the panic. As the call for the report has been delayed for ten days beyond the usual time, it is urgently requested that the bank officers will respond as promptly as possible to the circular of the Comptroller.

THE BANKER'S ALMANAC FOR 1874.—The twenty-second volume of this series will be issued early in January next, for which are in preparation the following subjects: I. A list of National banks and State banks in the UNITED STATES, with names of President and Cashier of each, and names of New York correspondent of each. Also, alphabetical lists of cashiers and assistant cashiers. II. A list of private bankers in the UNITED STATES, with name of New York correspondent of each. III. A list of new savings banks in the UNITED STATES. IV. A list of banks and bankers in the leading cities of EUROPE, ASIA, AFRICA, AUSTRALIA, SOUTH AMERICA, WEST INDIES, &c. V. Engraved views of new bank buildings in New York and other cities. VI. Engraved views of the mints in operation in London, Paris and Philadelphia. VII. Engraved views of the bourse or stock exchange buildings of Paris, London, Lyons, Marseilles, Hamburg, Bremen, Antwerp and other leading cities of EUROPE (*including that of Ancient Pompeii*). VIII. Engraved fac similes of the new trade dollar of the UNITED STATES and of twenty new coins issued by foreign mints (*to be continued annually*). IX. Statistics of the coinage of the UNITED STATES and of various countries of late years. All in one volume octavo; price, three dollars. Information and suggestions for the new volume, and orders for copies, may be addressed to the BANKER'S MAGAZINE, No. 251 Broadway, New York. The cards of bankers will be inserted to order in the Almanac for 1874, at $ 25 each, and will thus reach all parts of the UNITED STATES, and leading cities of EUROPE, ASIA, SOUTH AMERICA, &c. (*Five thousand copies will be issued.*) Engravings of new banking houses will be inserted to order in the new volume, on moderate terms. Such engravings can be afterward used by the bank for letter circulars, envelopes, drafts, &c. Those firms who have changed their New York correspondents are requested to give immediate notice to this office.

GERMANY.—A correspondent of the Chicago *Times*, says:

An abundance of specie here, and a scarcity of bank notes, are growing evils. Some time ago the government made a move against the Austrian guldens, forbidding the acceptance of them at the post and telegraph offices. Business houses generally refuse them except at a discount of 10 per cent., which one would think would be enough to drive them entirely out of the country; but they seem to be as plenty as ever. A curious inconsistency, however, the quarter gulden passes at full value. The Austrian government, however, is having its revenge, and the Prussian thaler passes only for twenty-eight silver groschens.

There is a regular glut of Prussian silver thalers. If one tenders a bank note in payment of a small debt, he is sure to get all silver in return. Twenty-five silver thalers weigh about a pound, so that if the debt be small and the note

large, one has the pleasure of carrying a couple of pounds of silver around in his pockets, and makes one feel the burden of riches. But there is no remedy. One goes home and puts his treasure in a strong box, and keeps enough thalers for the ordinary expenses of the day, but finds that his next purchase perhaps amounts to a little more than the quantity reserved. So you draw out another bank note, with a bad grace, and have to change it for a few pounds more of silver.—*Letter from Coblentz.*

SAVINGS BANK.—The Mobile *Register* says:

An interesting question will be shortly submitted to our courts, involving the legality of one of the by-laws of the FREEDMEN'S SAVINGS AND TRUST COMPANIES in general. This institution was created by an Act of the Congress of the UNITED STATES, approved in 1865, and has branches in almost every city of the Union. By one of the regulations which the charter authorizes the trustees to adopt, it is provided that said trustees may, when in their opinion required, exact a notice of sixty days from any depositor previous to the withdrawal of his funds. This rule, which is universal in most if not all the savings banks of the country, was ordered to be put in force by the Mobile branch, and from the time of said notice no deposits, beyond a limited amount, were paid on demand, but the notice duly registered. Yesterday, however, two Conti Street lawyers, who had a pretty large deposit, presented their check for the full amount, and were answered that the bank, to protect itself, had to enforce the rule. Thereupon the two gentlemen applied to the Circuit Court for a writ of attachment against the property of the bank, and an officer was, toward evening, placed in charge of it.

NEW RAILWAY.—Among the important railway improvements in progress is one, the object of which is to insure completion of the intercolonial railroad from Porto Caballos, on the Atlantic, to the Bay of Fonzea, on the Pacific. The length of the entire line is 220 miles, seventy of which have been completed and are now in operation by this route. It is said that the distance to San Francisco, will be shortened by nearly 1200 miles, and four days' time saved, as compared with the Panama route.

MEXICAN COINAGE.—A test of the Mexican silver dollar was recently made at the New York Assay Office, under the direction of Dr. LINDERMAN. The dollars were of recent coinage (restored eagle dollar die). The weight of single pieces showed very wide variations—from 407 to 430 grains, the legal standard being 417. These bore the mark of the mint at Chihuahua, and had evidently been issued without any regard to a proper adjustment. They averaged 904 fine, slightly above the Mexican standard. The variation in weight is such as to render their sale as dollars very uncertain.

CURRENCY.—Treasury officers say that the last dollar of the fifty-four millions additional National bank circulation, authorized by the act of 1870, will not have been issued to the banks in the Western and Southern States, until about the time that Congress meets, December 1. Therefore, it is not likely that the twenty-five million redistribution clause of the same act will be executed. The Secretary of the Treasury, on suggestion of the Comptroller of the Currency, will recommend a repeal or modification of that clause.

The Comptroller of the Currency, on the 13th instant, issued a circular calling upon all the National banks to report their condition at the close of business on Friday, September 12. This is all very well, but it would have been more satisfactory in the way of furnishing information as to the condition of the banks had the report been called for a date a week or fortnight later. We then should have learned something of the effect of the failures and the run of the 18th of September upon them.

New York—THE ATLANTIC NATIONAL BANK.—Mr. CHARLES E. STRONG, the receiver of the ATLANTIC NATIONAL BANK, has announced that he will pay a dividend of fifteen per cent. on October 1. This is the second dividend, one of forty per cent. having been declared last July.

New York.—The NATIONAL BANK OF THE COMMONWEALTH has filed a petition in the United States Circuit Court to enjoin the Comptroller of the Currency and ISAAC H. BAILEY, claiming to act as receiver of the bank, from all further proceedings under such receivership. The petition sets forth that the

pretended ground for the appointment of a receiver—that the bank had refused to pay one of its circulating $ 5 notes, was not a fact. The petition recites that no notice of the appointment of any special agent, as provided by law, was given prior to the appointment of a receiver.

STOCK EXCHANGE.—Messrs. ROBINSON & SUYDAM, SMITH & SEAVER, J. P. WHITFIELD, J. G. RIEKE, and C. G. WHITE, have been reinstated at the Stock Exchange.

Cooperstown.—The banking business of the late firm of C. W. SMITH & CO., at Cooperstown, Otsego County, N. Y., has been merged in that of the FIRST NATIONAL BANK of Cooperstown. The old firm retires with credit to itself.

CALIFORNIA.—The numerous banks in CALIFORNIA, being organized under a gold basis, do not feel any inconvenience from the want of legal tenders. The FIRST NATIONAL BANK of Stockton, in that State, commenced business in March, 1873, declared a dividend of one per cent. for month of September. The gold notes now in circulation are generally preferred to gold by farmers and others.

CONNECTICUT.—It appears that A. J. HINE, cashier of the NATIONAL BANK OF ANSONIA, ten miles from New Haven, has been using the funds of the bank for speculation. The surplus of $ 40,000 is all gone. HINE also loses his private fortune. The full extent of the losses is not as yet ascertained. The bank is supposed to be solvent.

DISTRICT OF COLUMBIA.—The report of the examiner of the NATIONAL METROPOLITAN BANK of Washington, shows that the capital stock is unimpaired, that there is a considerable surplus, and that the assets are sufficient to pay the creditors.

FLORIDA.—It is stated in Jacksonville that the stock of a National bank, to be established in that place, has been taken by Northern men, and that two New Yorkers have the undertaking in charge.

GEORGIA.—A run was made on the Savings Department of the SAVANNAH BANK AND TRUST COMPANY, and on the SOUTHERN BANK OF GEORGIA. The run on the SAVANNAH BANK AND TRUST COMPANY ceased about 12.30 P. M. That on the BANK OF GEORGIA continued up to the hour of closing. Both were fully able to meet all demands. The other banks were proceeding as usual, and the excitement diminishing.

Savannah.—The Chamber of Commerce, September 26, held an adjourned meeting at ten o'clock at night, to receive the report of its Committee, who presented the following:

Resolved, That the banks and banking houses of Savannah will only meet demands of depositors by certification of checks, to be used as the necessities of the holders may require, until the temporary difficulties are removed, and until exchange can be negotiated or currency be received to move the crops.

The banks are acting according to this resolution.

Atlanta.—JOHN H. JAMES, banker, who suspended, resumed in a few days thereafter. Leading business men and bankers guaranteed his solvency to the amount of $290,000.

Railroad.—The *bona fide* mortgage bondholders of the Brunswick and Albany (GEORGIA) Road, 172 miles in length, have successfully foreclosed, under the orders of the proper Georgia Courts, their first mortgage, at a sale of the road a few days since at Brunswick, for $ 530,000, subject to $ 150,000 liens for mechanics' labor, etc. The American and German-American bondholders were represented by Mr. I. DE NEUFVILLE, of Exchange Place, who bought the road for their account.

ILLINOIS.—Mr. D. W. VITTUM, hitherto Vice-President of the FIRST NATIONAL BANK OF CANTON, ILLINOIS, was, in October, elected President, in place of Mr. JAMES H. MCCALL, deceased. Mr. CHRISTOPHER WILSON succeeds Mr. VITTUM as Vice-President.

Chicago.—The banking firm of LUNT, PRESTON & KEAN, at Chicago, has

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been dissolved, and is succeeded by the new house of PRESTON, KEAN & Co., consisting of STEPHEN P. LUNT, DAVID PRESTON, SAMUEL A. KEAN, FREDERICK W. CROSBY, and JAMES PAYNE. Their New York correspondent is the NATIONAL SHOE AND LEATHER BANK.

Currency.—The amount of currency in the city now is uncomfortably large. One bank yesterday asked a customer as a favor to draw out $ 25,000 instead of giving a check for that amount payable through tho clearing house—a singular contrast to the condition of things two weeks ago.—*Chicago Tribune,* Oct. 13.

Chicago.—The UNION NATIONAL BANK reopened its doors and resumed business October 13, the Comptroller of the Currency having notified the Directors that they were free to resume, as the vote of liquidation adopted by the bank was illegal, some of the stock having been voted by proxy, whereas the law requires in such cases the votes shall be by the stockholders in person.

IOWA.—The stockholders of the suspended MERCHANTS' NATIONAL BANK, October 2d, elected C. H. BOOTH as Cashier, vice R. A. BABBAGE, and GEORGE W. MITCHELL President, vice F. W. SHEFFIELD, to settle up the bank's affairs. Mr. BABBAGE'S defalcation is $ 267,000, and Mr. SHEFFIELD'S $ 62,000.

Defalcation.—An investigation into the affairs of the suspended MERCHANTS' NATIONAL BANK of Dubuque, by the directors, shows that a system of frauds has been perpetrated upon the stockholders and patrons by the officers of the bank which has never been exceeded in any concern of its size. The amount abstracted from the bank reaches the sum of $ 329,478. Of this amount F. W. SHEFFIELD, the President, has obtained $ 62,188, and BABBAGE, the Cashier, $ 267,289. These sums have been abstracted by means of notes and bills, by overdrafts, and by direct steals covered by false entries, which latter have been made upon the books to the amount of $ 14,000, which is all charged up to BABBAGE'S account. They represent balances which did not exist, and in other cases were purely fictitious. The directors publish a card in which they promise to make public a statement of the affairs of the bank. They say that every effort will be made to secure all the property possible to cover the amount of the immense frauds and startling defalcation, and that prompt steps are being taken to realize speedily the greatest amount that can be made out of the property. By an unanimous vote of a meeting, at which two-thirds of the stockholders were represented, the bank has been put in liquidation, and its affairs will be wound up.

Railroads.—AN IOWA RAILROAD SOLD—A UNION PACIFIC MANDAMUS SUIT.—DES MOINES, Oct. 17.—The Des Moines Valley Railroad was sold at Des Moines, IOWA, October 17, under a foreclosure of mortgage. The southern half, from this city to Keokuk, was sold to J. AUGUSTUS JOHNSON, New York, for $ 1,175,000, including a portion of the rolling stock. The northern half of the road, from this city to Fort Dodge, was sold to C. H. PERRY, of Keokuk, for $ 475,000, including a portion of the rolling stock. It is rumored that the purchase is in the interest of the Chicago, Burlington and Quincy Railroad Company.

KENTUCKY.—The WESTERN BANK, at Louisville, remains in active business. A. F. COLDEWEY, President; HENRY HURTER, Cashier. Their New York correspondent is the CENTRAL NATIONAL BANK.

LOUISIANA.—The NEW ORLEANS BANKING ASSOCIATION, C. CAVAROC, President, in accordance with a resolution of the Board of Directors, October 4th, goes into liquidation, and will be placed in the hands of a receiver. Owing to the assistance extended the bank by its President, the house of C. CAVAROC & SON has also failed.

New Orleans.—The GERMAN SECURITY BANK was not among those that suspended here, as published in the despatches to some distant papers. It has promptly paid every demand made on it.

New Orleans.—At a meeting of all the bank presidents in New Orleans, September 25, it was resolved to pay no check for more than $ 100. All larger checks are to be certified, and the arrangement to continue thirty days. This action is considered precautionary to prevent a drain. The merchants generally approve of the course the banks have taken.

The following address was issued by the banks of this city:

The undersigned, incorporated banks and bankers of the City of New Orleans, desire to inform the community of the motives which actuate them in partially suspending payment of currency upon their demand obligations, owing to a partial suspension of currency payments by the associated banks of New York and other Northern cities, and the consequent refusal of the Western and other banks to receive checks on New York, as is the regular course in the settlement of collections made here for their account. It is ascertained that a very large remittance of currency hence has been made upon peremptory orders within the past five days. To such an extent indeed has this prevailed that at the same rate only a few days must elapse before our vaults and the community would be entirely depleted of the means essential to the ordinary movements of trade. At the present moment foreign exchange is unsalable in New York, and as we derive from this source our main supply of currency, we are now thus deprived of our only means of restoring the amounts lost by shipments to the West and the interior. We have therefore taken this step as a means of self-protection, and for the benefit of the agricultural as well as the commercial interests, and as the only means through which the incoming crops can be moved without ruinous sacrifice in prices. The duration of this protective policy is limited to a period of thirty days, during which time we are confident that the daily receipts of cotton and sugar will afford us a prompt and ready relief, and compel currency to seek this market.

Citizens' Bank.	State National Bank.
Union National Bank.	New Orleans National Bank.
Germania National Bank.	Bank of America.
Teutonia National Bank.	New Orleans Nat. Banking Association.
Louisiana National Bank.	Canal Bank.
Hibernian National Bank.	Mutual National Bank of America.
Bank of Lafayette.	People's Bank.

Pike Bros. & Co., bankers.

MAINE.—They are having a financial excitement in Aroostook County, MAINE, although it can hardly be said yet to have culminated in a panic. At the present time that county has hardly any other currency than the "American" issue of the ST. STEPHEN'S, New Brunswick, BANK. As these bills are not current outside of that county and the St. Croix Valley, much inconvenience is caused to business men. These bills, which resemble United States Treasury notes to some extent, are "orders on Z. Chipman," a St. Stephen's merchant and an officer of the bank. It has lately occurred to the Aroostook people that these "orders" might be multiplied to any extent, and a feeling of alarm has been excited in business circles. The merchants of Houlton have voted, at a public meeting, to take no more of these "orders" after the 1st of November.

MARYLAND.—Officers of the Associated Banks of Baltimore met September 25, and resolved, in view of the present financial situation, not to pay out money on checks except what may be required for legitimate business purposes, the banks to certify all good checks which can be used in business transactions. It is confidently believed here that the banks in the city were never in a sounder condition than at present, and their action this afternoon is recognized as a prudent precaution against any panic. The President of the GERMAN SAVINGS BANK states that deposits are in excess of the amounts drawn from the bank. Mercantile and commercial interests of the city, while experiencing to some degree the general pressure and tightness in money, are regarded as being on a safe and sound basis, no failures being at present anticipated. As elsewhere, trade is very limited, no heavy transactions taking place. The feeling to-day, sympathizing with the favorable dispatches from New York, is much better than for several days previous, and it is confidently expected that business will soon revive.

MASSACHUSETTS.—Considerable excitement in financial circles at Lowell was caused by the report of a large defalcation of the cashier of the MERCHANT'S NATIONAL BANK, JOHN N. PIERCE, Jr., who is also treasurer of the CENTRAL SAVINGS BANK. But little information could be obtained, but as near as can be learned the amount of the defalcation is between $ 40,000 and $ 50,000.

It is stated by one of the directors that PIERCE had money of the bank amounting to about $ 175,000 at one time, of which he has returned about $ 80,000. The capital of bank is $ 400,000. The surplus of about 5 per cent. is absorbed. PIERCE has not had the key for days. Rumors are circulated that he has left.

The trustees of the CENTRAL SAVINGS BANK, assisted by experts, have examined the accounts of the treasurer, J. N. PIERCE, Jr., who was present, and find them minutely correct and the funds safe.

President HOSFORD reports that they have arrived at the condition of affairs sufficiently to relieve, in a great measure, their anxiety. If the statement of PIERCE'S account is correct since the first of October, as he thinks it is, the defalcation will fall short of $ 70,000, while the surplus of the bank is $ 77,000. PIERCE'S bond is missing; the lock of the president's department having evidently been tampered with. The bank authorities deny having made any agreement with PIERCE to settle the irregularities, but they evidently made some arrangement by which he has paid back money and bonds and transferred his real estate. General BUTLER is his counsel. More than $ 60,000 of the deficit was arrived at in the examination.

Hingham.—The stockholders of the HINGHAM NATIONAL BANK at a meeting voted to reduce the capital of the bank from $ 200,000 to $ 140,000, and continue the business. LOVETT, the defaulting cashier of the HINGHAM BANK, was before United States Commissioner HALLETT, and, not being ready for examination, he was held in the sum of $ 50,000 for his future appearance. The bail was given.

MICHIGAN.—An employee in a Detroit banking house was accidently locked in the inner vault the other day, and, after being sought in other directions, was finally discovered there inanimate through suffocation. He was ultimately restored to consciousness.

MISSOURI.—St. Louis, September 25.—A slight run having been made on the banks of St. Louis on the 25th September, it was decided at a meeting of bankers, to suspend the payment of checks or drafts, either in currency or exchange, until the excitement in the East subsides and the former condition of the markets is restored. Shipments of flour to the East having been virtually suspended by the recent advance in railroad freights, the Board of Directors of the MERCHANTS' EXCHANGE have petitioned railroad companies to restore the old rate during the present financial troubles.

Pike County.—Mr. ALBERT M. WEIR was, in October, elected Cashier of the BANK OF PIKE COUNTY, at Louisiana, MISSOURI, in place of Mr. E. C. MURRAY, at the same time Mr. W. H. BIGGS was elected President in place of Mr. HUGH ALLEN. Their New York correspondent is the NATIONAL PARK BANK.

NEW JERSEY.—The condition of the NEW BRUNSWICK STATE BANK is conceded by the stockholders to be better than at first supposed, although the long promised public statement is still delayed. The bank's capital was originally $ 250,000, and the surplus $ 212,000. The total amount of the bank's indebtedness on account of the irregularities is estimated at about $ 762,000, or about $ 300,000 more than both capital and surplus. The bank holds $ 350,000 collateral securities given by the Carpet Company for claims against it which the bank in its assets values at $ 200,000. The entire loss cannot exceed $ 600,000. A meeting of the Board of Directors, President JOHN R. FORD and CHRISTOPHER MEYER offered to advance $ 100,000 each towards settling the bank's indebtedness, provided the directors and stockholders make up the remaining $ 100,000. This $ 300,000 is to be used, together with the bank's total assets, capital and surplus, towards settling all claims against the institution.

Elizabeth.—For some weeks past (it is understood) the NATIONAL STATE BANK at Elizabeth, N. J., had been much embarrassed, from the fact that A. S. WOODRUFF, the cashier, had made a number of bad loans. The stockholders, having examined into the affairs of the institution, requested the cashier and the directors to resign. These gentlemen have tendered their resignations, and a new directory is to be selected. Colonel KEAN is to be the new president, and has agreed to advance $ 100,000 to the bank. The other new directors are also expected to advance an equal amount.

OHIO.—The Cincinnati Clearing-House Association has adopted the following resolution:

Resolved, That for the protection of our commercial interests, and for the purpose of preventing a drain of currency from the banks and bankers of this city, we do hereby agree to adopt substantially the plan adopted in New York, viz.: They will not pay out currency on checks except for small sums, to be optional with the banks upon whom they are drawn, but they will certify checks drawn on balances in their hands, payable through the Clearing House only.

Each member of the Clearing-House Association is required to deposit such sum, in approved securities, as will at all times cover the amount of his clearings. Government bonds are received at their par value. Railroad and other stock and bonds and bills receivable are received at seventy-five per cent. of the value fixed on them by the committee. Loan certificates are issued by the committee, which can only be used in the settlement of balances between the banks, and are not negotiable. The banks have since resumed currency payments as usual.

Zanesville.—The MUSKINGUM VALLEY BANK, A. H. BROWN, President, A. V. SMITH, Cashier, closed its doors October 2d, after standing a heavy run for several days. C. W. POTWIN has been appointed as assignee, and states that in a short time the bank will pay dollar for dollar. The FIRST NATIONAL sustained a heavy run all day, and announce they are fully prepared to meet every demand. The UNION BANK also stood up under the heavy run, and invite all having claims to present them. A great deal of excitement prevails. The MUSKINGUM VALLEY, which suspended, will probably resume soon, with CHARLES W. POTWIN and HEZEKIAH STURGES at its head.

PENNSYLVANIA.—The operative department of the Philadelphia Mint has been set to work, by directions from Washington, at a specific rate of coinage of ten millions of double eagles per month till otherwise ordered. The California Mint is running at its full capacity on gold coinage and the trade dollars. Bullion to the amount of $3,000,000 has been added to the fund of the Assay Office at New York to pay promptly all deposits of sovereigns.

Philadelphia, September 30.—A meeting of the creditors of E. W. CLARK & Co. was held September 30. A statement was made showing as follows: Liabilities secured, $1,042,526; do. unsecured, $1,041,498; total, $2,084,024. Assets, including stocks, bonds, loans, bills receivable and other securities, and real estate, $2,464,355. Leaving a surplus of $380,331. At an adjourned meeting of the creditors of E. W. CLARK & Co., October 2d, a committee which was appointed to examine the assets and liabilities reported that the statements by the firm were correct, and recommended that an extension be given. The report was unanimously agreed to. A form of agreement was approved and signed by numerous creditors, including nearly all the largest in amount. It was explained that the firm had $900,000 of Western assets in the form of railroad bonds and real estate, which were not valued in the statement, the firm wishing to show their ability to pay from their own assets. The firm propose to pay in full, with interest, in less than twelve months.

Philadelphia.—THE PHILADELPHIA UNION BANKING COMPANY.—The UNION BANKING COMPANY here have submitted to their creditors the following proposition, which they say will enable them to resume business at an early day. The creditors shall take fifty per cent. of their claims in the stock of the bank, and the bank shall then resume business, placing the other fifty per cent. in cash to their credit.

JAY COOKE & CO.'S PROPOSITION—JAY COOKE & Co. have completed their detailed statement of assets and liabilities, and proposed, October 4th, a plan of settlement to their creditors as follows: The members of the firm surrender all their partnership and individual property. E. A. ROLLINS, late Commissioner of Internal Revenue, has been chosen, with the approval of the leading creditors, to manage the winding up of the estate. *Pro rata* dividends will be made as fast as sufficient cash is realized from the conversion of assets, beginning very soon after the basis is approved by the creditors. Settlements may be made with individual creditors under restrictions which guard the rights of all. The trustee is to act under the advice and control of a committee of three prom-

inent Philadelphia business men, Messrs. S. M. WELTON, late President of the Philadelphia, Wilmington and Baltimore Railroad Company; WILLIAM C. HOUSTON, of the GIRARD BANK; and DELL NOBLITT, Jr., President of the CORN EXCHANGE BANK. After all the debts are paid in full, the remaining estate will be reassigned. It is understood that the firm do not propose to call a general meeting of the creditors, as the creditors are so scattered as to render such meeting impracticable. They will, however, address notes to such of their creditors in the three cities as can be conveniently seen from day to day at each point, and submit papers with oral explanations.

Reading.—BUSHONG & BRO., bankers, of Reading, suspended October 9th. It is stated that they will keep their bank open for the adjustment of accounts, and convert their assets into cash for the meeting of all their liabilities.

Pittsburg.—There was a meeting of the creditors, October 9th, of the late banking firm of JAMES T. BRADY & CO. A statement of the firm was made, from which it appears that the total liabilities of the firm are $ 432,000, and the assets $ 271,000. A settlement was effected by giving notes at from nine to thirty months, with interest, with TENNESSEE lands and bonds of the Cincinnati and Great Republic as security. The amount due individual depositors is about $ 190,000. The LAWRENCE SAVINGS BANK and the NATIONAL TRUST COMPANY, which were forced to suspend recently, in consequence of a heavy run made upon them, resumed business in a few days.

Athens.—The FIRST NATIONAL BANK of Athens, PENN., was robbed, October 13th, by five men, who seized and bound the cashier. Twenty thousand dollars were taken.

RHODE ISLAND.—An adjourned meeting of the Providence banks, September 30th, received and adopted the report of a committee recommending a liberal policy on the part of banks toward each other and customers; that each bank should request its depositors to draw checks payable through the clearing house, and should certify checks payable through the clearing house; that deposits made in banks in currency be paid out to such depositors in currency, and that deposits made in certified checks be paid in kind. The Providence banks are in a generally sound and strong condition.

SOUTH CAROLINA.—There is an improved feeling in money circles at Charleston. The National banks and the UNION BANK pay currency as usual, and the deposits continue larger than the disbursements. Three-fourths of the cotton sales to-day were for greenbacks instead of exclusively for exchange, as had been the case since the crisis commenced.

TENNESSEE.—The FIRST NATIONAL BANK of Memphis suspended business for a few days, owing to the prevailing fever. The bank resumed active business October 2d. F. S. DAVIS, President; JOHN T. FARGASON, Vice-President; W. W. THACHER, Cashier; C. W. SCHULTE, Assistant Cashier. This bank is a depository and financial agent of the UNITED STATES. Their New York correspondent is the NATIONAL PARK BANK. Some idea may be formed of the disorganization of the community at Memphis, from the fact that the deaths from yellow fever were thirty to forty per day in October.

Knoxville.—The banks at Knoxville are transacting business as usual, and have sustained no losses at New York.

Nashville.—The National banks of Nashville, four in number, in view of the present state of financial affairs, have agreed to suspend currency payments on all balances exceeding $ 200. The Board of Trade, at a large and full meeting, unanimously approved of the course of the banks, and adopted a resolution that merchants and business men would continue to deposit with and aid the banks by every means in their power. A general good feeling prevails among business men, and there are no symptoms of a panic.

VIRGINIA.—The BANK OF COMMERCE has been established at Richmond, VA., under a special charter, as successors to the late firm of ISAACS, TAYLOR & WILLIAMS. President, WILLIAM B. ISAACS; Vice-President, WILLIAM G. TAYLOR; Cashier, JOHN C. WILLIAMS. The present capital is $ 100,000. Their New York correspondent is the CHEMICAL NATIONAL BANK. Their card will be found on the cover of this work.

RESUMPTION.—We are pleased to announce that Messrs. A. M. KIDDER & CO., No. 4 Wall Street, have resumed active business. Also, the banking firm of BROWN, WADSWORTH & CO., No. 22 Nassau Street. Messrs. HOWES & MACY, 30 Wall Street, are receiving deposits and transacting business as before.

The NEW YORK CLEARING HOUSE.—The Clearing-House banks resolved, Thursday, October 23, to do away with the "pooling" and equalization, or "scaling," of greenbacks, from and after November 1. The resolution, as at first moved by the BANK OF COMMERCE, was to stop the unequal process at once, but an amendment was carried to substitute November 1, and, as amended, the resolution was adopted without a division. No motion was made to extend the amount of the seven-per-cent. Relief Certificates used in settlement of Clearing-House balances. A letter from the President of the UNITED STATES to Mr. WILLIAMS, of the METROPOLITAN BANK, which was simply read, and the President thanked for his kind suggestions.

At the CLEARING-HOUSE ASSOCIATION the following resolutions were adopted:

Resolved, That the message of the President of the UNITED STATES to the banks of NEW YORK be respectfully and gratefully acknowledged, and we cordially reciprocate his kind wishes, and will act in the spirit which he recommends.

Resolved, That from and after the first of November next, the equalization of legal tenders by the banks of this association be discontinued.

FOREIGN EXCHANGE.—Messrs. JOHN MUNROE & CO., No. 8 Wall Street, are drawers of bills, in sums to suit, on the CONSOLIDATED BANK, London, and on MUNROE & CO., Paris. (*See their card in the advertising sheet of the* BANKER'S MAGAZINE.)

SAVINGS BANKS.—The annual return from the trustee savings banks of the UNITED KINGDOM shows that at the end of their year, on the 20th of November, 1872, the amount due to depositors was £ 39,680,652—namely, in ENGLAND and WALES, £ 32,546,401; in SCOTLAND, £ 4,452,492; in IRELAND, £ 2,221,852; and in the Channel Islands, £ 459,907. To this is to be added £ 19,318,339 due at the end of 1872 to depositors in post-office savings banks; making the total deposits, in round numbers, £ 59,000,000 sterling. The deposits increased in 1872 by upwards of £ 3,000,000; in the post-office savings banks by more than £ 2,250,000; and in the trustee savings banks by £ 860,000. The number of accounts open was nearly equal in the two classes of savings banks; in the trustee savings banks 1,425,147, and in the post-office banks 1,442,448. The number of accounts will soon reach 3,000,000, for the number in the trustee savings banks increased by 21,069 in the past year, and in the post-office banks by 138,956. There were 484 trustee savings banks in the UNITED KINGDOM at the end of the year, but the post-office banks had risen to 4,607 in number.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from October Number, page* 322.)

Additions to this list are solicited from the subscribers to this work.

NEW YORK CITY.

Laidlaw & Co. Simons & Chew.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Carlyle, ILL	Ramsay & Seiter	Merchants' Exchange N. B.
Carbondale, "	City Bank	Henry Clews & Co.
Lebanon, "	Seiter & Ramsay	Merchants' Exchange N. B.
Shelbyville, "	First National Bank	....
Eldora, IOWA	Bowdle & Newcomer	Austin Corbin.
Mason City, "	T. G. Emsley	Austin Corbin.
Sac City, "	D. Carr Early	Austin Corbin.
Florence, KAN	Miners' Bank and Sav. Inst	Henry Clews & Co.
Washington, "	George W. Shriner	Austin Corbin.
Allegan, MICH	Allegan City Bank	American Exchange N. B.
Benton Harbor, "	Hopkins & Jackson	Kountze Brothers.
North Lansing, "	E. Angell	Henry Clews & Co.
St. Cloud, "	St. Cloud Bank	Henry Clews & Co.
Greenville, MISS	W. H. Archer & Co	Henry Clews & Co.
Chardon, OHIO	Geauga Sav. & Loan Asso	Henry Clews & Co.
Pottsville, PA	Merchant's Exchange Bank	Henry Clews & Co.
Westchester, "	Westchester Bank	Henry Clews & Co.
Austin, TEXAS	M. D. Miller	Swenson, Perkins & Co.
Winneconne, WIS	Sackett & Co	Ninth National Bank.

International Postal Money Orders.—The establishment of the international postal money order system between the UNITED STATES and GREAT BRITAIN and GERMANY has proved even more successful than was anticipated. The balances have, as a matter of course, been largely against this country; or, in other words, more money has been sent to ENGLAND and GERMANY through the Post Office, from this country, than has been sent here from them. The post office department remits weekly about £ 3500 to ENGLAND, and a still larger amount at the end of each month in settlement of the monthly accounts; so that the monthly balance against the UNITED STATES is about $ 75,000, or at the rate of nearly $ 1,000,000 per annum, which is the amount remitted to GREAT BRITAIN annually through the money-order offices, more than is remitted to this country from ENGLAND in the same way. This difference is very largely accounted for by the remittances of English and Irish emigrants sent to their relatives to assist them in coming to the UNITED STATES, or for their use at home.

CHANGES OF PRESIDENT AND CASHIER.

OCTOBER, 1873.

(*Monthly List; continued from October No., page* 318.)

Banks are requested to furnish prompt notice of any future changes.

Name of Bank.		*Elected.*	*In place of*
Ansonia N. B., Ansonia,	CONN.	Charles H. Pine, *Cash*...	A. J. Hine.
First Nat. Bank, Canton,	ILL.	D. W. Vittum, *Pres*......	*James H. McCall.
" " "	"	Christopher Wilson, *V. P.*	D. W. Vittum.
Union Sav. Bk, Waterloo,	IOWA.	Edmund Miller, *Pres*.....	A. T. Lane.
Neodesha S. B., Neodesha,	KAN.	Wm. Hill, *Cash*.........	H. H. Henderson.
Conway N. Bk., Conway,	MASS.	E. D. Hamilton, *Pres*....	John D. Todd.
Quinsigamond Nat. Bk., Worcester, ...	"	Alden A. Howe, *Cash* ...	*Joseph S. Farnum.
First Nat. Bk, Lake City,	MINN.	G. F. Benson, *Pres*	L. H. Garrard.
Lucas Market Sav. Bk., St. Louis, ...	MO.	M. W. Seely, *Pres*	H. L. Patterson.
Home Sav. Bk, St. Louis,	"	H. S. Parker, *Pres*.......	Jos. Hodgman.
Capital Bank, "	"	Wm. Throckmorton, *Cash*.	J. G. Hermann.
F.&D. Sav. Bk, Kansas City,	"	G. W. Sedgwick, *Pres*...	A. A. Bainbridge.
Bank of Pike County, Louisiana	"	W. H. Biggs, *Pres*.......	Hugh Allen.
		A. M. Weir, *Cash*........	E. C. Murray.
Farmers and Merchants Bank, Middletown Pt....	N. J.	C. H. Wardell, *Cash*.....	H. W. Johnson.
First N. Bk., Tarrytown,	N. Y.	J. Odell, *Cash*............	*J. H. Rosenquest.
Farmers N. B., Mansfield,	O.	Geo. A. Clugston, *Cash* ..	Jacob Hade.
Clinton Co. N. B., Wilmington,	"	F. M. Moore, *Pres*........	R. E. Doan.
First Nat. Bank, Gettysburg,	PA.	H. S. Benner, *Cash*......	George Arnold.
Merchants' N. B, Memphis,	TENN.	T. H. Rice, *Cash*..........	John J. Freeman.
People's Sav. B., Lynchburg,	VA.	J. W. Ivey, *Cash*.......	James O. Williams.
People's Sav. B., Petersburg,	"	R. G. Greene, *Vice-Pres*..	E. Armstrong.
" " "	"	S. C. Donnan, *Cash*......	J. M. Donnan.

* Deceased.

BANK HOLIDAYS.—There will be two legal holidays in the State of NEW YORK in the month of November, viz:

TUESDAY, November 4th, a general election day throughout the State, (being the first Tuesday after the first Monday in November,) according to the statute.

II. THURSDAY, November 27th.—This day has been named by the President of the UNITED STATES, in his proclamation as a DAY OF THANKSGIVING.

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from October No., page* 320.]

NEW YORK CITY.

[*Of the suspensions noted below, many are probably but temporary. Besides these a number of banks and bankers have been mentioned in the daily press which have already resumed currency payments, or are on the eve of doing so.*]

Albert Cole.
Delos E. Culver & Co.
Gibson, Casanova & Co.
Gilman, Son & Co.
George Bird Grinnell & Co.
William Hoge & Co.
Northrup & Chick.
C. H. Pierce.
Whittemore & Co.
Wise & Cross.
Lees & Waller (succeeded by Laidlaw & Co.)

CONNECTICUT.—A. F. Abbott, *Waterbury*, (*suspended.*)

DELAWARE.—John McLear & Son, *Wilmington*, (*suspended.*)

GEORGIA.—Dollar Savings Bank, *Atlanta*, (*suspended.*)

ILLINOIS.—John Kinsey, *Chicago*, (*suspended.*)

INDIANA.—Farmers' Bank, *Greencastle*, (*suspended.*)

IOWA.—Orchard City Savings Bank, *Burlington;* Merchants' National Bank, *Dubuque*, (*failed*); Head Brothers, *Jefferson*, (*suspended.*)

KANSAS.—First National Bank, *Leavenworth*, (*suspended*).

LOUISIANA.—New Orleans Banking Association, (*failed.*)

MARYLAND.—William Fisher & Sons, *Baltimore*, (*suspended.*)

MICHIGAN.—W. W. Carpenter, *Benton Harbor*, (succeeded by Hopkins & Jackson); T. P. Sheldon & Co., *East Saginaw*, (*suspended*); B. C. Hoyt & Son, *St. Joseph*, (*failed.*)

MISSOURI.—Union National Bank, *St. Louis*, (*gone into liquidation*); A. H. Shindler & Co., *Waverly*, (*dissolved.*)

MINNESOTA.—R. J. Mendenhall, *Minneapolis*, (*suspended.*)

NEBRASKA.—Farr & Trew, *Gibbon*, (*dissolved*,) (succeeded by F. S. Trew.)

NEW JERSEY.—State Bank, *New Brunswick*, (*suspended.*)

NEW YORK.—Ford & Fuller, *Albany*, (*suspended*); H. W. Burt & Co., *Buffalo*, (*suspended*); C. W. Smith & Co., *Cooperstown*, (*united with First National Bank.*)

NORTH CAROLINA.—Burbank & Gallagher, *Washington*, (*suspended.*)

OHIO.—First National Bank, *Mansfield*, (*failed*); Harshman & Gorman, *Dayton*, (*suspended*); Kraus & Smith, *Toledo*, (*failed*); Muskingum Valley Bank, *Zanesville*, (*suspended.*)

PENNSYLVANIA.—James T. Brady & Co., *Pittsburgh*, (*suspended*); Bushong & Brother, *Reading*, (*suspended.*)

TENNESSEE.—De Soto Bank, *Memphis*, (*suspended*); Mechanics' Bank; Traders' Bank, *Nashville.*

TEXAS.—H. Seeligson & Co., *Cuero*, (*continue at Indianola*); W. Jockusch & Co., *Galveston*, (*suspended.*)

WISCONSIN.—W. S. Candee, *Milwaukee*, (*suspended.*)

FINANCIAL CHRONOLOGY.

[*Continued from October No., page* 323.]

SEPTEMBER.

29 BANK OF ENGLAND rate raised to 5 per cent.
29 FIRST NATIONAL BANK, Hingham, MASSACHUSETTS, closed, on account of defalcation of $40,000 by LOVETT, Cashier.
30 Reopening of the New York Stock Exchange.

OCTOBER.

1 Suspension of NORTHRUP & CHICK, Bankers, New York.
1 Suspension of PATON & CO., 341 Broadway, New York.
2 Failure of GEORGE B. GRINNELL & CO., Stock Brokers, New York.
4 Resumption of business by A. M. KIDDER & CO.
4 Suspension of N. O. NATIONAL BANKING ASSOCIATION.
7 Defalcation of Cashier of MERCHANTS' NATIONAL BANK of Lowell, MASS.
9 Suspension of GIBSON, CASANOVA & CO., Bankers, New York.
13 Resumption of currency payments by banks of Cincinnati.
13 Report of New York Clearing House recommends liquidation of NATIONAL BANK COMMONWEALTH.
14 Suspension of WILLIAM HOGE & CO., Bankers, New York.
15 Suspension of GILMAN, SON & CO., Bankers, New York.
15 Defalcation of $ 300,000 by Cashier of State Treasury of NEW YORK.
15 BANK OF ENGLAND rate raised from 5 to 6 per cent.
15 Resumption of business by BROWN, WADSWORTH & CO., Bankers, New York.
18 BANK OF ENGLAND rate of discount raised to 7 per cent.
25 Bids for $ 1,974,600, loan deficiency in Sinking Fund, State of NEW YORK.

NEW YORK GOLD EXCHANGE.—The following is a list of the officers of the New York Gold Exchange for the ensuing year, and who were elected October 21, 1873:

President, James B. Colgate. *First Vice-President*, E. T. Bragaw. *Second Vice-President*, T. F. B. Parker. *Treasurer*, R. L. Adams. *Secretary*, Wm. P. Wescott.

Members of the Executive Committee.—Charles H. Ward, Wm. B. Bend, B. K. Stevens, James Curphey, W. J. Hutchinson, Simon Schafer, J. F. Underhill, Aug. Limbert, John Wallace.

Finance Committee.—E. S. Ballin, Charles Unger, L. C. Meyer, J. Seligman, W. T. Hatch.

Arbitration Committee.—Townsend Cox, M. C. Klingenfeld, Jos. H. Tucker, C. H. Leland, C. O. Baker.

Committee on Admissions.—C. F. Davenport, C. Garlichs, E. W. Gould, H. C. Fuller, A. V. Richards, H. A. Hurlbut, Jr., R. B. Whittemore, W. B. Sanctor, Howard Bird.

NOTES ON THE MONEY MARKET.

New York, October 23, 1873.

Exchange on London, at sixty days' sight, 107 @ 108 for gold.

The money market has been in a continued state of excitement throughout the month of October. The failures of numerous bankers in September and October have lessened confidence as to the position of firms hitherto in first-class credit. The drain upon currency in Wall Street continued for several weeks, for account of Western and Southern bankers, who have had to sustain a severe pressure for the past six weeks from their own depositors.

The chief features of the month of October are noted in a rapid decline in the rates of exchange, at New York, on England, and on the Continent, and in heavy shipments of coin and bullion from Liverpool to the United States. Bankers' bills on London, at sixty days' sight, have been sold this month as low as 105 to 106, equivalent to 3 to 4 per cent. discount, the real par being about 109½.

There is a temporary cessation of foreign export of gold from New York to Europe, the shipments to the third week of October, since 1st January last, having been $42,926,000. The comparative exports for the same period (9½ months) having been as follows:

Year 1856.	$29,090,000	Year 1862.	$45,811,000	Year 1868.	$66,430,000
" 1857.	33,216,000	" 1863.	36,007,000	" 1869.	27,383,000
" 1858.	22,513,000	" 1864.	35,806,000	" 1870.	50,686,000
" 1859.	60,019,000	" 1865.	23,803,000	" 1871.	56,717,000
" 1860.	40,060,000	" 1866.	54,113,000	" 1872.	60,233,000
" 1861.	3,283,000	" 1867.	42,922,000	" 1873.	42,926,000

On October 7, the steamship *Java* arrived at this port with the first shipment of bullion made from Europe after the reception there of the news of the financial crisis in America. The following is a list of the bullion arrived from England at this port since the movement commenced:

Java, arrived October 7	£372,000
Donau, do. do. 10	136,000
Italy, do. do. 11	250,000
Baltic, do. do. 10 / City of Paris, do. 11	525,000
Making a total of	£1,283,000

of which amount £ 1,037,000 passed into the Assay Office in this city. The sum of £ 1,936,000 is on the way to this port, making the aggregate about fifteen millions of dollars; a large portion of which will go to the mint, and a still larger portion will be returned to EUROPE within three or four months.

There is a marked decline in the foreign importations at this port; equivalent to ten per cent. for nine months of 1873, compared with 1872. The general results for three years (to date) are as follows:

Foreign Imports at New York for Nine Months from January 1.

	1871.	1872.	1873.
Entered for consumption	$165,096,546	$ 159,292,057	$ 143,353,313
Entered for warehousing	111,353,165	147,989,463	100.371,260
Free goods	22,584,178	37,998,958	67,960,217
Specie and bullion	5,586,766	5,002,483	3,901.492
Total entered at port	$ 304,620,655	$ 350,282,961	$ 315,586,282
Withdrawn from warehouse	98,625,022	127,863,482	96,840,250

Of the $ 350,282,961 imported for the first nine months of the year 1872, only $ 118,452,918 consisted of dry goods; of the $ 315,586,282 landed here for the nine months ending with September, 1873, only $ 98,898,708 were in dry goods; the remainder consisted of sugar, tea, coffee, spices, drugs, metals, liquors, wines, hides, leather, wool, and the like.

The following will show the comparative customs at this port for the last month and since the beginning of the year:

Revenue from Customs at New York.

	1871.	1872.	1873.
In September	$ 15,733,891	$ 13,274,126	$ 10,959,722
Previous Eight Months	102,559,904	100,409,026	85.013.531
Nine Months	$ 118,293,796	$ 113,683,153	$ 95,973,254

All of the above figures represent coin.

With a decrease in imports amounting to over six millions and more than six millions gain in the exports, the trade presents a different aspect from the report of last year. We now bring forward the relative exports from the beginning of the year:

Exports from New York to Foreign Ports for Nine Months from January 1.

	1871.	1872.	1873.
Domestic produce	$ 166,414,661	$ 158,102,659	$ 206,756,640
Foreign free goods	996,862	1,147,343	1,618,167
do. dutiable	5,893,916	7,418,010	6,877,128
Specie and bullion	57,619,924	58,382,370	41,559,101
Total exports	$ 230,925,363	$ 225,050,382	$ 256,811,036
do. exclusive of specie	173,305,439	166,668,012	215,251,935

The Stock Exchange, at New York, was reopened September 30, without any renewal of the panic; before the session closed the official announcement was made that no one had failed on that day, and that there was not a single delinquent member on earlier transactions. This virtually marked the close of the panic; public confidence has been restored in great measure, and trade and commerce are flowing back into their natural channels. The National Bank of the Commonwealth is the only suspension among the banks.

The banks of the City of New York have issued no weekly statement through the Clearing-House since the 22d September, owing to the financial condition:

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$257,852,460 ..	$12,794,892 ..	$65,026,121 ..	$32,762,779 ..	$202,533,564 .	$466,987,787
Jan. 4, '68..	249,741,297 ..	12,724,614 ..	62,111,201 ..	34,134,391 ..	187,070,786 ..	483.266,304
Jan. 4, '69..	259,090,057 ..	20,736,122 ..	48,896,421 ..	34,379,609 ..	180,490,445 ..	585,304,799
Jan. 3, '70..	250,406,387 ..	31,166,908 ..	45,034,608 ..	34,150,887 ..	179,129,394 ..	399,355,375
July 4.....	276,496,503 ..	31,611,330 ..	56,815,254 ..	33,070,365 ..	219,083,428 ..	562,736,404
Jan. 2, '71..	263,417,418 ..	20,028,846 ..	45,245,358 ..	32,153,514 ..	188,238,995 ..	467,692,982
July 3.....	296,237,959 ..	16,526,451 ..	71,348,828 ..	30,494,457 ..	243,308,693 ..	561,366,458
Jan. 1, '72..	270,534,000 ..	25,049,500 ..	40,282,800 ..	28,542,800 ..	200,409,800 ..	551,802,964
July 1.....	289,002,800 ..	22,795,500 ..	54,951,400 ..	27,416,100 ..	232,387,900 ..	485.973,837
Jan. 6, '73..	277,720,900 ..	19,478,100 ..	41,165,400 ..	27,613,800 ..	203,808,100 ..	642,834,841
Feb. 3	286,879,600 ..	18,612,200 ..	45,802,100 ..	27,501,000 ..	217,168,500 ..	661,411,941
Mar. 3.....	281,344,900 ..	16,370,500 ..	40,724,000 ..	27,601,300 ..	202,066,100 ..	818,260,202
April 7.....	273,534,000 ..	15,664,400 ..	34,940,500 ..	27,715,800 ..	187,687,000 ..	780,498,463
May 5.....	270,721,100 ..	18,677,800 ..	40,051,700 ..	27,564.400 ..	196,471.900 ..	698,038,785
June 2.....	277,958,800 ..	19,482,000 ..	44.332,300 ..	27,447,100 ..	208,136,500 ..	454,272,030
July 7.....	286,905,800 ..	33,551,400 ..	48,168,000 ..	27,276,200 ..	232,369,400 ..	478,571,386
July 29.....	289,389,100 ..	31,249,300 ..	49,957,100 ..	27,225.100 ..	239,118,300 ..	547,225,958
Aug. 4.....	289,986,200 ..	30,272,200 ..	50,030,500 ..	27,188,000 ..	238,840,900 ..	465,712,370
Sept. 1.....	288,883,000 ..	23,095,200 ..	44,729,300 ..	27,281,900 ..	220,390,300 ..	447,799,948
" 8.....	288,374,200 ..	21,767,000 ..	38,679,900 ..	27,355,500 ..	212,772,700 ..	553,727,908
" 15.....	284,536,200 ..	20,442,300 ..	36,717,200 ..	27,383,400 ..	207,317,500 ..	548,295,978
" 22.....	278,421,700 ..	18,844,600 ..	34,307,900 ..	27,414,200 ..	198,040,100 ..	654,392,916

It is believed that the banks will be in a condition in a few days to resume the payment of currency on all checks and drafts, and to transact business in the usual mode. The suspension of currency payments has created serious inconvenience to the community, and was authorized only by the extreme exigencies of the day.

The foreign exchanges were so disorganized at our last monthly report that no specific tabular statement could well be made. Commercial bills on London were sold recently at as low a figure as 102, (equivalent to 7 or 7½ per cent. discount;) and bankers' sixty-day bills sold in moderate amounts at 105½ to 106 at the height of the panic. These low prices led to large shipments of gold from England to New York, for investment in prime bills at low figures.

Foreign Exchange this week has been nominally steady on the basis of 106¼ *a* 106¾ for Bankers' 60 days Sterling bills, and 107⅝ *a* 108 for do. at short sight. We quote: Bills at 60 days on London, 105 *a* 106 for commercial; 106¼ *a* 106¾ for bankers'; do. at short sight, 107⅝ *a* 108; Paris, at 60 days, 5.42½ *a* 5.32; do. at short sight, 5.30 *a* 5.27½; Antwerp, 5.42½ *a* 5.33¾; Swiss, 5.40 *a* 5.32½; Hamburg, 4 Reichsmark, 92¼ *a* 93½; Amsterdam, 38⅝ *a* 39⅝; Frankfort, 39½ *a* 40¼; Bremen, 4 Reichsmark, 92¼ *a* 93½; Prussian thalers, 69¼ *a* 70⅜.

The prices at this date, compared with June, July and August, are as follows:

Sixty days' Bills.	*June* 21.	*July* 21.	*Aug.* 21.	*Oct.* 22.
On London, bankers'...	109 @ 109¼ ..	109⅛ @ 109⅜ ..	107¾ @ 108 ..	107 @ 108
" commercial	108⅝ @ 108⅞ ..	108½ @ 109 ..	107¼ @ 107⅝ ..	105 @ 106
Paris, francs, ₱ dollar..	5.28¾ @ 5.24⅜ ..	5.27½ @ 5.23¼ ..	5.35 @ 5.30 ..	5.42½ @ 5.32½
Amsterdam, ₱ guilder.	39⅞ @ 40⅛ ..	40 @ 40½ ..	39⅝ @ 40 ..	38⅝ @ 39⅜
Frankfort, ₱ florin	40⅞ @ 41⅜ ..	41 @ 41⅜ ..	40½ @ 40⅞ ..	39½ @ 40¼
Hamburg, ₱ 4 R'mark..	95⅝ @ 96¼ ..	95¾ @ 96⅜ ..	94½ @ 95 ..	92¼ @ 93½
Prussian thalers	71¾ @ 72¼ ..	71¾ @ 72⅜ ..	70⅝ @ 71¼ ..	69¼ @ 70⅜

The above rates for this week's steamers are obviously below par, and cannot remain so for any length of time. Bills on Europe must soon return to their real par or approaching it, as the balance of indebtedness is largely against New York.

The banks of Boston have made their weekly exhibits regularly, and in view of the disorganization existing throughout the country, the present condition of the banks is favorable.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868....	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856,022
Jan. 4, 1869....	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870....	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871....	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3........	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872...	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8........	112,164,800	2,740,100	9,471,800	24,877,000	48,875,500
The deposits (after this date) include the amount due to other banks.					
Jan. 6, 1873...	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3........	125,088,700	2,253,300	11,507,300	25,485,800	77,272,500
Mar. 3........	124,390,400	1,015,100	11,185,600	25,457,500	74,833,700
April 7.......	120,001,600	922,600	8,939,300	25,519,400	64,623,200
May 5.......	117,501,100	1,401,100	9,191,600	25,625,700	65,809,400
June 2.......	117,959,600	1,269,200	11,406,800	25,445,100	69,422,800
July 7.......	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
Aug. 4.......	123,617,400	1,536,000	10,955,600	25,550,000	71,110,300
" 25.......	123,200,800	1,042,800	10,671,900	25,451,400	68,745,400
Sept. 1.......	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
" 8.......	124,068,000	1,006,300	10,071,300	25,544,500	67,662,400
" 15.......	123,523,800	1,238,500	9,016,300	25,611,500	64,837,700
" 22.......	122,108,000	1,642,900	8,418,600	25,682,400	61,822,200
" 29.......	119,832,700	1,399,200	8,182,700	25,677,700	56,638,700
Oct. 6.......	119,468,000	1,363,400	8,308,100	25,948,400	55,913,400
" 14.......	120,327,300	1,608,000	9,003,200	26,061,500	56,950,600

The Philadelphia banks have ceased their weekly exhibits for the present. We reproduce the returns from our last number, to which no additions have been made for the public eye.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868.....	$5[illegible],002,304	$235,912	$16,782,432	$10,639,000	$36,621,274
" 4, 1869.....	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870.....	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871.....	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872.....	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, "	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873.....	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, "	57,062,437	352,775	10,599,533	11,370,253	42,120,451
Mar. 3 "	56,867,858	271,544	9,917,655	11,389,972	41,495,605
April 7, "	57,075,617	130,936	9,663,471	11,475,119	40,124,310
May 5, "	59,006,414	238,944	11,641,739	11,438,679	45,177,200
June 2, "	61,135,011	116,089	15,377,993	11,434,591	51,833,223
July 7, "	60,480,403	322,626	14,513,757	11,431,847	48,200,545
Aug. 4, "	59,923,183	356,531	15,227,709	11,444,767	48,255,437
" 25, "	59,714,370	210,215	13,391,000	11,450,378	45,395,053
Sept. 1, "	59,317,093	208,580	13,348,119	11,454,680	45,089,892
" 8, "	58,254,221	205,780	13,608,988	11,440,920	44,697,137
" 15, "	59,007,671	271,973	13,179,110	11,476,794	44,363,277
" 22, "	58,109,410	258,965	12,432,254	11,473,843	43,018,525

The New York Clearing-House Association postponed their annual meeting for this year, from October till January next, when the election for the usual officers will take place. We give in another portion of this number a summary of the operations of the Association for the past year and the previous nineteen years.

Some idea of the extraordinary fluctuations in stocks in this market may be formed from the following comparative table, which shows the closing prices for stocks on September 17 (the day before the suspension of JAY COOKE & Co., the beginning of the panic), on September 20, when the Stock Exchange was suddenly closed, and on September 30, at three o'clock:

	Sept. 17. *Closing.*	*Sept. 20.* *Closing.*	*Sept. 30.* *Bid.*	*Sept. 30.* *Asked.*
N. Y. Central and Hudson	99¾	91¼	91⅛	91⅜
Harlem	127½	103	111½	114
Erie	55½	53½	51⅛	51¼
Lake Shore	90⅜	83	74¾	75
Wabash	55⅝	44	44½	45
North-Western	52⅞	40	43	44
North-Western Pref.	75¾	70	65	66
Rock Island	101⅝	88	90½	91
Milwaukee and St. Paul	43¼	32¾	33¾	34½
Ohio and Miss	68	27¼	29⅜	29⅝
Union Pacific	36⅛	18	19¼	19⅜
C., C. and Ind. Central	23¾	19	23¼	24
Hannibal and St. Joseph	26⅜	22½	23½	25
Pittsburgh	30	80	—	—
Panama	113½	90	94½	99
Del., Lack.. and Western	88⅛	89	87¾	88
West. Union Tel	42⅛	55¼	66⅛	66¼
Pacific Mail	—	32	33¾	34

Such has been the severity of the revulsion in money affairs, recently, that the money markets of Europe are thereby disturbed. The values of American and local securities in those markets have undergone violent fluctuations; and the rates for money have gone up rapidly, accompanied by an advance in the Bank of England rates, from 4 to 5, and from 5 to 6; and at the close of last week, from 6 to 7 per cent.

Throughout the country at large financial prospects seem everywhere brightening. No additional failures of consequence are reported, and comparatively few operatives have yet been discharged from large manufacturing establishments in consequence of any monetary stringency. One feature of the month is a letter from Secretary Richardson giving his reasons for declining the proposition of the New York Produce Exchange, that he should issue currency to the banks on special gold deposits in the Bank of England, and prepay the United States bonds due January 1, 1874. It is also considered probable that the Treasury will have to draw on the forty-four million reserve to meet future demands.

DEATHS.

At WATERTOWN, Jefferson County, N. Y., on Thursday, September 18th, aged twenty-nine years, FREDERICK L. WOOLLEY, Assistant Cashier of the MERCHANT'S BANK of Watertown.

At MOUNTAIN CITY, NEVADA, on Saturday, August 30th, aged sixty-three years, JAMES H. McCALL, President of the FIRST NATIONAL BANK of Canton, ILLINOIS, from its organization in May, 1864, till his death.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

VOL. VIII. THIRD SERIES. DECEMBER, 1873. No. 6.

THE BANK CHECK *versus* THE BANK NOTE.

BY HENRY CAREY BAIRD, OF PHILADELPHIA.

In nothing may we more certainly or more surely detect the false teacher, than in his inconsistencies—his failure to carry out his doctrines to their logical conclusions, and to stand by them, especially in the practical affairs of life. Let us, for a moment, subject to this test the contractionist—the man who has a holy and a perennial horror of what he is pleased to call "an inflated, irredeemable paper currency." He carries on a perpetual, a never-ceasing war of words against the circulating note, *the little monetary instrument*, which is daily and hourly needed in all the small transactions of life, and which enables the people of the present day to make their exchanges freely, promptly and satisfactorily; unobstructed by those difficulties which, in primitive times, resulted in barter, long credits, open accounts, and societary stagnation.

This contractionist has, however, never been known to interpose any objection whatsoever, on the score of either law or expediency, to the BANK CHECK—*the great monetary instrument of civilization.* This instrument, it is, which to-day is the powerful lever that moves the business of the world, *and the volume of which, created in any period of forty-eight hours of business activity, in almost any great trading community or country, is equal to the entire amount of notes and specie in circulation in such community or country.* For instance, the amount of such checks passing through the London Clearing House, to which the BANK OF ENGLAND does not belong, for the year ending April 30,

1873, was $30,000,000,000, or nearly $100,000,000 per day; while that of those going through the New York Clearing House for the year ending October, 1872, was $33,844,369,568, or $105,964,277 per day. Further, this contractionist has never been known to express the least enmity to the Clearing House, the institution which, above all other inventions, leads to the greatest economy in the use of bank notes. For instance, the average daily balances paid through the New York Clearing House, in settlement of the clearings above named, were but $3,939,265, *or less than three and three-quarters per cent.;* so that, by the intervention of this institution, $3.75 are made to do the work which would require $100 without it,* and which, in fact, does require $100 in the country, where men are isolated.

Surely, here is a field extended enough for the exercise of the contractionist's great genius, as a philosophical financier and a reformer! Suppose, for a season, he was to allow a respite to the little monetary instrument, and try his hand at a tilt against the great monetary instrument, the bank check, and what may be called *the labor-saving machinery of finance*—the Clearing House. The advantage to society, in having him thus to change his point of attack, would be that his adversaries, intrenched in the intelligence, and interwoven with all the grand affairs of the people, would be too great and powerful for him. Within twenty-four hours after he had advanced sufficiently far to threaten society with his complete success, that society would, as one man, rise up and drive him into oblivion, and never again, throughout all time, would he be regarded as the teacher of a true and beneficent doctrine.

Let us see what might be expected to be the effect of a successful attack upon the bank check and the Clearing-house system.

On April 23, 1873, the capital of the National banks of the UNITED STATES was $487,891,251, and their circulation $338,163,864. They held the following notes in their possession :

Bills of National banks	$19,276,210
Bills of State banks	38,992
Fractional currency	2,198,973
Legal-tender notes	99,935,287
U. S. certificates of deposit of legal tenders (equivalent to the notes)	17,215,000
	$138,664,462

Suppose all these resources placed at the command of the banks of New York, and that then it be made unlawful for the bank check to be used for any purpose whatsoever, other than to draw the money directly from its proper bank, without passing through any hands but those of the drawer, or through any other bank. This would, at one blow, annihilate the great monetary instrument, and the Clearing-House system—an end perfectly consistent with, and logically flowing from, the doctrine of the contractionist; for if the State should not itself make, or allow others to make, circulating notes beyond a

* The clearings of the London Clearing House are effected without the use of circulating notes at all, being made by checks drawn upon the Bank of England.

certain arbitrary limit, why should every man who keeps a bank account be permitted to make circulating checks at pleasure, and the banks to keep up a Clearing House, where these checks are cleared with but $ 3.75 of circulating notes for every $ 100 of their amount.

The average daily clearings of checks in the New York Clearing House being, as we have seen, $ 105,964,277, and the total amount of currency held by all the National banks in the UNITED STATES being $ 138,664,462, without that Clearing House, the actual payment of all of these checks over the counter would at the end of the first day leave but $ 32,700,185, without any provision for checks not now passing through the Clearing House. These latter checks under this *new, improved*, and *enlightened* system of forcing the world to use circulating notes for fear of an "inflation of prices," might possibly be taken care of by the deposits of the day, although were it possible to hold out but a few days, even this resource would fail; as a very large proportion of the circulation of the country would soon be required for remittances, but would be totally inadequate, and would ever be traveling by express or by mail throughout the length and breadth of the land, until societary death ensued, and remittances were made no more. But one day's experiment of the contractionist plan would quite satisfy the banks and the people that the contractionist was an enemy of the State, of the people, and of business in all its branches, and that he deserved to be treated as such, and that he should never again be allowed to meddle with such vital questions; for this crisis of his production would be *the* financial crisis in the world's history.

But we shall probably be told that the American system of monetary affairs, checks, and bank credits, is all wrong, and is itself a system of inflation arising out of our "inflated, irredeemable paper currency." Let us then look at the British system, and compare it with our own. R. H. I. PALGRAVE, Esq., a recent able writer and careful and laborious investigator of banking statistics, in a paper read before the Statistical Society of London, of which he is a member, declares, upon data admitted to be sound, that the deposits of the British banks amount to £584,000,000, or about $ 2,900,000,000, against which they hold a cash reserve of but *four* (4) *per cent.*, or say $ 116,000,000.* On the other hand, the deposits of the National banks of the UNITED STATES, April 25, 1873, were but $664,190,598, against which they held a reserve of specie and legal-tender notes alone of $ 134,019,095, or over *twenty* (20) *per cent.!* Which system, let us now ask, shows the greater degree of "inflation," that of GREAT BRITAIN, with her so-called specie payments, or our own, with our "irredeemable paper money."?

The fact is, that no other country in the world has, for a century or more, in its financial affairs, been so completely under the control

* There is no country at present, and there never has been any country before in which the ratio of the cash reserve to the bank deposits was so small as it is now in England. So far from our being able to rely on the proportional magnitude of our cash in hand, the amount of that cash is so exceedingly small that a bystander almost trembles when he compares its minuteness with the immensity of the credit which rests upon it.—*Lombard Street: A Description of the Money Market.* By Walter Bagehot, Editor of *The Economist.* London, 1873, p. 18.

of men of whom our contractionist is the type, as GREAT BRITAIN. In ENGLAND the privilege of issuing circulating notes is a monopoly almost wholly in the hands of the BANK OF ENGLAND, and the system with this institution is of the most cast-iron character imaginable, and no notes are allowed under five pounds. The Government has even failed to respond to the urgent and oft-repeated demand of the people for the coinage of a larger supply of silver for small change, which is actually greatly needed. Having given the country an inadequate supply of the little monetary instrument—the circulating note—what more natural result could be looked for than that a people so active and enterprising, and so given to manufacturing, trading, and speculation, should supply themselves with an immense reservoir of bank credit, against which they could freely draw bank checks, thus largely availing themselves of the use of the great monetary instrument? What result more certain than that, with a more liberal supply of circulating notes, there should be more transactions for cash, and at the same time *a wider and a firmer base for a smaller system of bank and individual credits*,* and consequently greater security against the recurrence of those commercial crises which have taken place so often and proven so disastrous in GREAT BRITAIN? So far, then, from following the advice and the lead of the American contractionist, who is wholly and fatally on a false scent, and of *decreasing* the supply of the little monetary instrument—the circulating note—we should *increase* it, and thus make broader, more firm, and more enduring the foundation, while decreasing the superstructure of credit and of the great monetary instrument.

The most beautiful, the most perfect, and the most certain plan ever devised or suggested by man for the accomplishment of this grand object—financial stability—is to be found in that which is daily enlisting new advocates, and which proposes simply *a full supply of National paper money having the feature of interchangeability, at the option of the holder, for Government bonds, bearing a fixed rate of interest.* In such interchangeability there is "a snbtile principle that will regulate the movements of finance and commerce as accurately as the motion of the steam-engine is regulated by its governor." This principle is the one which will *always cause to be maintained in practice, the true and sound relation between the volumes of the little monetary instrument—the circulating note, the great monetary instrument—the bank check, and bank credits.* Without the maintenance of such relation, financial stability is an utter impossibility.

HENRY CAREY BAIRD.

Philadelphia, October 13, 1873.

* This principle is well illustrated and enforced, by the condition of things which existed in this country at the end of the War of the Rebellion in 1865, before Mr. McCulloch had commenced his experiment of contraction and when the people were more free from debt. in proportion to the volume of business, than at any previous period in our history. The reverse of the picture is to be seen at the present moment,

REMARKS.

We give place to the communication of a Philadelphia cotemporary, in order to show, first, that we agree with him in his leading point, as to the potency of the BANK CHECK, and, secondly, to show that his notion of an enlarged volume of bank paper is a dangerous one.

We have all along maintained that "the bank check—the great monetary instrument of civilization" is a dangerous one at any time, and especially to bankers in a time of panic; so dangerous, indeed, that the commercial community should have a "counter check" provided against its abuse. The bank deposits of the present day have assumed a magnitude which demands a counter balance, in order to secure depositors against the ill effects of a panic or revulsion—against the lamentable results of overtrading.

The enlarged volume of deposits at the present day is one of the immediate results of an enlarged volume of bank paper. It is the unreasonable and sudden creation of seven hundred millions of paper issues, that has suddenly increased the *apparent* wealth of the country. This is seen in the enlarged volume of the deposits on account of country bankers and others, as shown in the annual reports of the National banks and the State banks, viz.:

		Deposits.	*Bank Circulation.*	*Legal Tender.*	*Total Circulation.*
Banks, U. S., total,	1859	$259,000,000	$193,000,000	$104,000,000*	$297,000,000
" " "	1861	257,000,000	202,000,000	87,000,000*	289,000,000
Nat. banks only,"	1865	728,000,000	171,000,000	440,000,000	611,000,000
" October,"	1866	738,000,000	280,000,000	453,000,000	733,000,000
" " "	1867	678,000,000	293,000,000	408,000,000	701,000,000
" " "	1868	724,000,000	295,000,000	390,000,000	685,000,000
" " "	1869	648,000,000	293,000,000	390,000,000	683,000,000
" " "	1870	653,000,000	296,000,000	395,000,000	691,000,000
" " "	1871	798,000,000	315,000,000	396,000,000	711,000,000
" " "	1872	769,000,000	333,000,000	398,000,000	731,000,000
" " "	1873	775,000,000	333,000,000	402,000,000	735,000,000

* Specie.

Now, if we add to 775 millions of National bank deposits, existing in 1873, those of the State banks (about 50 millions) we have an aggregate of over 800 millions in the whole country.

The "bank check" to which our correspondent alludes, or the drain upon deposits, amounts in our city to 150 millions per day; a sum 200 per cent. beyond all the paper circulation in the city; a sum which can be liquidated only by the economical administration or workings of the Clearing House.

Formerly (say thirty or forty years ago) the checks upon City deposits were mainly paid in bank paper; now, these important exchanges are accomplished by means of the bank check, through the Clearing House, avoiding the laborious and risky payments over the bank counter. There has not been paper money enough in this city, at any one day this year, to cover one day's payments in our commercial and financial channels.

Hence the bank check and its liquidating channel (the Clearing

House) have become actually necessary in order to make the ordinary exchanges of the day. It is not the bank check, to which our correspondent alludes, that has become alone the dangerous element in our financial movements from year to year.

It is the neglect of our law makers and of our financial managers to provide a counter check or safety valve against such heavy accumulations of cash liabilities. This counter check existed in the year 1866, at the opening of these heavy liabilities. The legal tenders held by the National banks then amounted to 205 millions or 25 per cent. of their deposits, but these reserves were reduced gradually to 118 millions at the close of the year 1872; a sum entirely inadequate to sustain such a superstructure as has been created in later years.

In order to show the sliding scale which unfortunately was adopted between the years 1865 and 1873, we present, for the consideration of our correspondent and of our readers, a tabular statement of the legal-tender reserves of the National banks of the whole country in each year.

Legal Tender Reserve of the National Banks.

1865–1873.

Jan.,	1865,	$72,000,000	Jan.,	1868,	$164,000,000	March,	1871,	$130,000,000
April,	"	113,000,000	April,	"	149,000,000	June,	"	154,000,000
July,	"	168,000,000	July,	"	166,000,000	Oct.,	"	136,000,000
Oct.,	"	193,000,000	Oct.,	"	158,000,000	Dec.,	"	117,000,000
Jan.,	1866,	$187,000,000	Jan.,	1869,	$142,000,000	Feb.,	1872,	$119,000,000
April,	"	193,000,000	April,	"	134,000,000	April,	"	123,000,000
July,	"	201,000,000	July.	"	132,000,000	June,	"	137,000,000
Oct.,	"	205,000,000	Oct.,	"	131,000,000	Oct.,	"	118,000,000
Jan.,	1867,	$186,000,000	Jan.,	1870,	$134,000,000	Feb.,	1873,	$ 96,000,000
April,	"	176,000,000	June,	"	140,000,000	April,	"	100,000,000
July,	"	177,000,000	Oct.,	"	124,000,000	June,	"	106,000,000
Oct.,	"	157,000,000	Dec.,	"	124,000,000			

Had there been no serious failures in September or October, 1873, no panic would probably, have occurred: and the reduced volume of legal tenders would have been sufficient to meet the ordinary demands of the public. But the extraordinary and unexpected failures in these months induced the mass of country bankers to draw, for their own protection, upon Wall Street, for their deposits; and the combined movement was too much for the latter to respond.

Our correspondent must therefore concede, as every practical merchant and banker will, that the bank check is an efficient economiser of labor; and is, UNDER PROPER RESTRICTIONS, an efficient agent in commerce; in fact, that the great commerce of this country could not be carried on without such medium of exchange and of payment. The bank deposits are now, in fact, made a part of the active circulation of the country.

Second.

Our correspondent quotes Mr. PALGRAVE'S remarks to show the less reserve held by the BANK OF ENGLAND to meet its cash liabili-

ties. The circumstances of the two countries (the UNITED STATES and ENGLAND) are utterly different. ENGLAND is a creditor nation of the whole world, and is the weekly recipient of millions of gold and silver, which have been rapidly accumulating there for a series of years. The export of gold from that country rarely exceeds the imports; and the moment that an unfavorable balance of foreign trade is created, *the screws are put down* by the bank, and borrowers are charged 8 to 12 per cent.; and hence, the number of borrowers promptly declines, soon leaving the market to the pressing demands of needy customers. Speculation thus receives a prompt check.

It is very different with us. We are a debtor nation, and our commercial policy of paper money now leads (and will continue to lead) to extravagance and bankruptcy. We are not only sending 60 or 80 millions of gold annually to EUROPE, but we have borrowed there over one thousand millions, which sum has been largely invested in perishable commodities, and for which we have obtained AN EXTENSION of fifteen or twenty years in the shape of government and corporate bonds. We continue a debtor nation, and as long as our money is debased and inferior to that of our creditors, we buy for gold and sell in paper at a loss.

Third.

Our correspondent alludes to the "cast-iron character" of the BANK OF ENGLAND. It is precisely this cast-iron character which gives stability and uniformity to the financial position and movements of GREAT BRITAIN, and which compels the people to transact their business under a fixed rule and to *adapt themselves to the policy.* ENGLAND has had no increase for thirty years to her bank paper; (forty millions sterling being the standard) and that country thrives under this "cast-iron system." Their money circulates all over the world. The profits arising under this cast-iron rule are loaned by millions to foreign governments and to foreign corporations. The UNITED STATES, among other nations, pay annual tribute to the amount of fifty millions or more to ENGLAND for the capital borrowed.

A single remark from the *Westminster Review* for October, 1873, confirms this:

"We have, or are supposed to have, thirty millions of gold coins in circulation beyond the seas. English money is almost the only currency in EGYPT and BRAZIL. It is to be found in all the American and Chinese ports, as well as in our own colonies. It passes current all over the continent. It is to be found where you can find no other coin. It is to be found where, as in the ports of the Yellow River, in JAPAN, in Sumatra, in Borneo, you find the French and American dollar, the Spanish and the Mexican dollar, intermingled with Sycee silver and every other description of currency." *(See Westminster Review, October,* 1873, *page* 135.)

Our best thinkers considered the paper money of our country, in 1861, to be sufficient in bulk for the ordinary exchanges of com-

merce. Now we have quadrupled our paper circulation and quadrupled the cash liabilities of our banks, and the gold basis (after 750 millions of accumulation from CALIFORNIA and export abroad, in ten years) IS LESS NOW THAN TEN YEARS AGO.

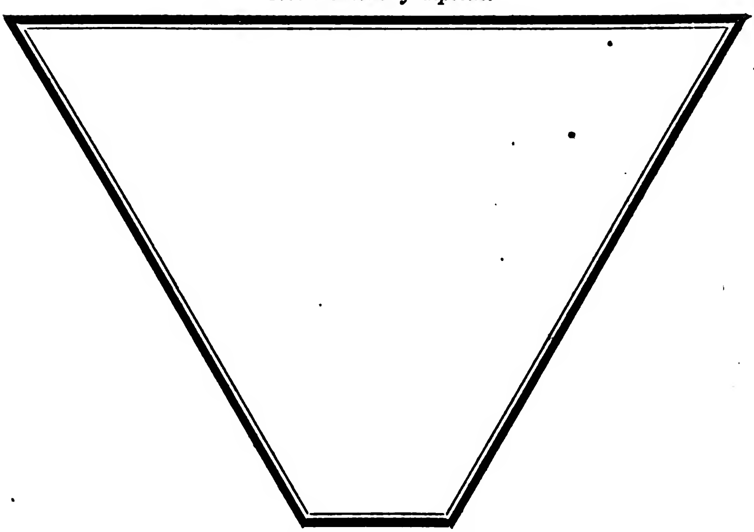
CONCLUSION.

There is but one policy to adopt in order to place our finances and commerce upon a firm footing. This policy is to restore the currency to its former specie basis and thus place the country upon a level with ENGLAND and other specie-paying countries.

The first move in this direction will be for Congress to fulfil the promises made in 1862–1863, when the legal-tender money was created. Congress solemnly pledged its faith at that time, after full consideration, that the 400 millions of legal-tender money, being created SOLELY AS A WAR MEASURE, should be extinguished soon after the termination of the rebellion. Our readers will find this feature in history fully demonstrated in the July number of this work, pages 3 to 6. Nearly every member who took part in the debate, and every member who voted (many very reluctantly) for the paper currency, insisted, at the time, on this being done; in fact, their votes were given under a protest against the vicious system then adopted under compulsion and now in operation after a peace of eight years.

Diagram to illustrate the present relation of deposits and "war-measure" paper to our specie basis.

800 *millions of paper.*
1000 *millions of deposits.*



100 *millions of specie.*

Either restore the paper currency to its acknowledged former condition of ten dollars per head of the whole population, equivalent at this day to four hundred millions of dollars; or (what is the same thing), compel the issuers to keep on hand a metallic basis of twenty-five or thirty-three per cent. of the existing sum—say two hundred millions of gold against eight hundred millions of paper. If this metallic reserve be *pooled*, or placed at one common centre, there would be no necessity for the 5,000 banks, now existing, to keep in their separate vaults any large reserve.

Such a pool, in the Sub-Treasury for instance, would counteract any panic or series of panics in any one year; and a marked decline in such combined reserve would be a warning to bankers of an unfavorable foreign trade; thereby giving a caution to the whole community to curtail their business.

New Inventions.—Among the new and important inventions of which the last forty years have witnessed the creation, none has attained greater importance than the railway. Nothing, at any period in the history of the world, has given such an impetus to commerce and manufacture. We have expended nearly five hundred and sixty millions sterling in the creation of fifteen thousand miles of iron road. It is true that from the moment when the first English railway was baptized in the blood of an illustrious victim, the speculative element—the idea of investing for profit—has never been disconnected from the issue and transference of railway stock. But there has been an active creative vitality in this industry altogether apart from the question of transfer of property. We have applied to the surface of our island an amount of labor which has produced a system of internal communication unknown to our fathers. We have done this, to some extent, by the devotion to this branch of industry of a certain amount of labor diverted from some other occupation. But no one who is practically familiar with the development of the English railway system from its origin can doubt that the labor thus transferred has formed but a part, and that by no means the most important part of the labor that has created railways. Much of that labor has been called into action by the occasion. Not only have men who would otherwise have been idle, been fully and profitably employed, but the actual productive capacity of a great number of men has been enormously developed. Skill has been formed by experience; industry has been encouraged by remunerative employment; and not only so, but to a considerable extent, the *physique* of the laborer has been improved. The man has been better fed, as well as better directed. His capacity for work has been at once developed and utilized. Thus we have had a new and most advantageous application of labor. We have raised and formed a new and improved class of laborers. Our railways have enriched the country, not only by the facilities which they afford to communication, but still more by the elevation of the working class. They are not only benefits to the nation as a product of labor, but they can claim the yet higher title of being in themselves creators of laborers of a higher order than was to be found existent before their commencement, unless in so far as they were anticipated in this respect by our canals.
—*Edinburgh Review.*

RESUMPTION OF SPECIE PAYMENT.

The recent crisis in financial affairs has led to serious consideration on the part of merchants, bankers and legislators, with a view to the adoption of such laws and such measures as will secure the community against a recurrence of the distressing condition which prevailed in September and October last. Public sentiment points to two leading measures to secure such results, viz:

I. A return to specie payments at the earliest period at which it can be SAFELY accomplished beyond a relapse.

II. The adoption of such laws as will compel the banks to maintain a stronger position in their available (or cash) resources.

There are various propositions before the community, prepared with a view to meet existing evils and to prevent their recurrence.

I. Mr. SHERMAN'S bill, submitted to Congress in January last, and laid over for future action. In the February No. of this magazine, 1873, we published the material parts of Senator SHERMAN'S bill, together with that of Mr. HOOPER, of MASSACHUSETTS (pp. 651, 652). Mr. SHERMAN'S proposition is as follows:

That on the first day of January, 1874, the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Assistant Treasurer, in the city of New York, to any holder of United States notes to the amount of $1,000, or any multiple thereof, in exchange for such notes, an equal amount of the gold coin of the UNITED STATES, or in lieu of coin, he may at his own option issue in exchange for said notes an equal amount of coupon or registered bonds of the UNITED STATES, in such form as he may prescribe, and of denominations of $50 or some multiple of that sum, redeemable in coin of the present standard value at the pleasure of the UNITED STATES after ten years from the date of this issue, and bearing interest, payable quarterly, in such coin at the rate of five per cent. per annum, and the Secretary of the Treasury may reissue the United States notes so received as if they were canceled, may issue United States notes to the same amount either to purchase or redeem the public debt, or to meet the current payments for the public service, and the said bonds and the interest thereon shall be exempt from the payment of all taxes in any form by or under State, municipal or local authority, and the said bonds shall have set forth and depicted upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the UNITED STATES.

SEC. 2. That from and after the 1st day of January, 1874, the limit of the aggregate circulation of National banks now prescribed by law is repealed, and all banks thereafter organized shall deposit as security for their circulating notes, bonds of the UNITED STATES

issued under this act, or under the act entitled an act to authorize the refunding of the national debt, approved July 14, 1870.

SEC. 3. That all banking associations which shall, on and after July 1st, 1874, redeem their circulating notes at such localities as are now or as may hereafter be designated by law, either in coin or United States legal-tender notes, shall be exempt from the requirement under the existing law as to holding a reserve of lawful money of the UNITED STATES. Provided, that nothing herein contained shall authorize any national gold bank established under an act, entitled, an act to provide for the redemption of three-per-cent. temporary loan certificates, and for an increase of national bank notes, approved July 12th, 1870, or to redeem their circulating notes in anything but gold coin of the UNITED STATES.

SEC. 4. That section C of an act, entitled, an act to provide for the redemption of the three per cent. temporary loan certificates, and for an increase of national bank notes, approved July 12th, 1870, be, and is hereby repealed.

SEC. 5. That banks without circulation may be organized under the provisions of an act to provide a national currency, secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved June 3d, 1864, upon the deposit with the Treasurer of the UNITED STATES of not less than $10,000 of United States registered bonds, as provided in section XVI of that act.

SEC. 6. That it shall be the duty of the Comptroller of the Currency, to cause to be examined each year the plates, dies, bed pieces, and other material from which the national bank circulation is printed, in whole or in part, and file in his office annually a correct list of the same, and such material as shall have been used in the printing of the notes of the national banks which are in liquidation or have closed business shall be destroyed, under such regulations as shall be prescribed by the Comptroller of the Currency, and approved by the Secretary of the Treasury, and the expense of such examination and destruction shall be paid out of any appropriation made by Congress for the special examination of National banks and bank plates.

II. MR. HOOPER, representative from Boston, proposes that the Treasury be authorized to issue certificates bearing 3.65 per cent. interest (or one cent per day per hundred dollars), in exchange for legal-tender notes of the UNITED STATES.

This proposition would accomplish some good if the notes were forthwith and gradually cancelled to a proper point; but the bill proposes to give to the secretary discretionary power to re-issue the bills so deposited. This would, however, be simply adding FUEL TO THE FLAME. If Congress would fulfil the promise made in 1862–1863, to liquidate, gradually, this currency, which was created solely as a WAR MEASURE, the country would gradually accommodate itself to its new paper volume; and the Treasury would be better able to respond in future years to the demands for specie. Secretary

McCulloch inaugurated this policy of gradual contraction *in strict conformity with the understanding in Congress in* 1863; but his policy, which would have resulted in specie payments by this time, was violently opposed and vetoed by Congress in the year 1866.

Mr. McCulloch's views* were sound and practical, and coincided with those of Congress in 1862–1863.

"The paper circulation of the country should be flexible, increasing and decreasing according to the requirements of legitimate business, while, if furnished by the Government, it would be quite likely to be governed by the necessities of the Treasury or the interests of parties, rather than the demands of commerce and trade. Besides, a permanent Government currency would be greatly in the way of public economy, and would give to the party in possession of the Government a power which there might be strong temptations to use for other purposes than the public good—keeping the question of currency constantly before the people as a political question, than which, few things would be more injurious to business.

"But the great and insuperable objection, as already stated, to the direct issue of notes by the Government, as a policy, is the fact, that the Government of the United States is one of limited and defined powers, and that the authority to issue notes as money is neither expressly given to Congress by the constitution, nor fairly to be inferred, except as a measure of necessity in a great National exigency. No consideration of a mere pecuniary character should induce an exercise by Congress of powers not clearly contemplated by the instrument upon which our political fabric was established.

"The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted; but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, these considerations will not, it is respectfully submitted, justify a departure from that strict construction of the Constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the Government has been proved by the manner in which it has carried on the greatest war of modern times; it only remains, for the vindication of its excellence and the perfection of its triumphs, that all powers exercised for its preservation, but not expressly granted by the Constitution, be relinquished with the return of peace."

Of the lamentable effects of an inconvertible paper currency, Mr. McCulloch truly says:

"What a healthy and reliable business requires is a stable basis. This it cannot have as long as the country is afflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be in no small degree controlled by speculative combinations."

* See Banker's Magazine for January, 1866, pages 513–520.

He adds:

"He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the Government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. . . .

"It is further urged that a reduction of the Government notes would embarrass the National banks, if it did not force many of them into liquidation.

"To which it may be said, that it is better that the banks should be embarrassed now, than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer, it is not difficult to predict."

Had these views been adopted and acted upon by Congress in 1866, there would have been no revulsion in 1873; and a healthy state of affairs, devoid of excessive speculation and extravagance, would have followed in 1870–1873. The unhealthy and unwise expansion of railroads and of foreign imports would have been avoided.

III. The Treasury policy of 1871–1873, inaugurated by Secretary BOUTWELL, should now cease. His idea was to cancel the public bonded debt as rapidly as possible, and to allow the legal-tender notes to remain in full force. This is in direct opposition to the judgments of the past and to the experience of sound merchants. The latter will, in case of temporary embarrassment (as is the condition of our public treasury), liquidate their cash liabilities first,* and defer their time bills to future years. The Treasury should allow the twenty-year bonds to rest until maturity, or until the finances allow their liquidation without inconvenience. The Secretary has ignored *the express terms upon which the legal-tender notes were created* in 1862–1863; terms which the Treasury and the country were IN HONOR BOUND TO MAINTAIN.

We consider the Treasury responsible, in a large measure, for the revulsion and distress of the year 1873. It will be found, sooner or later, that "*Honesty is the best policy.*" Congress should bear in mind the wise injunctions urged by Mr. JEFFERSON on national debts. "It is a wise rule, and should be fundamental in a government disposed to cherish its credit, and at the same time to restrain the use of it within the limits of its faculties, never to borrow a dollar without laying a tax in the same instant, for paying the interest annually, and the principal within a given term; and to consider that tax as pledged to the creditors on the public faith. On such a pledge as this, sacredly observed, a government may always command, on a reasonable interest, all the lendable money of its citizens; whilst the necessity of an equivalent tax is a salutary warning to them and their

* Had this been the Treasury policy in the past six years, the reduced volume of legal tenders would have appreciated in value, and their purchasing power would have been far greater. In other words, the Treasury would have saved fully twenty per cent. in its contracts, or *at least fifty millions per annum.* It would have obviated entirely the immense loss arising from the revulsion of 1873.

constituents against oppression, bankruptcy, and its inevitable consequence, revolution."

If, in pursuance of such views, Congress had, as was urged upon them in 1866, laid a tax *for paying the principal* of these notes within a given term, no crisis would probably have occurred at this day.

Congress should also bear in mind that the repudiation in 1866, of the promises of 1862–1863, was sure to produce evils:

"In proportion precisely as an individual is beyond the reach of compulsory process, should he be inclined to disregard the technicalities of mere law, and base himself upon the broader principles of natural justice. This is still more necessary when an independent sovereignty is concerned; because it is more difficult to procure redress for wrongs committed by a State. The relation between debtor and creditor, in all cases involving the repose of confidence, is pre-eminently a fiduciary relation when the debtor is a sovereign commonwealth. It should be distinguished by that *uberrima fides* which scorns the strict letter of the contract and regards its spirit and intention."—PELEG W. CHANDLER.

IV. Violent and hasty measures should never be adopted by legislators or by business men. Gradual means only should be pursued in all matters pertaining to commerce and finance. Nature itself points to this, in its ordinary course of the seasons .History points to the same in the events of 1837, 1857, and 1873. The speculation encouraged by Congress, in the paper money schemes of 1836, led to the revulsion of 1837. The bank movement of the summer of 1857, accompanied by a new tariff, led to the crisis of September of that year. The repudiation of 1866–1870, by Congress, has led to the bankruptcy of 1873.

Let these lessons teach us, *even at a late hour*, that in the matter of resumption of specie payments, no undue haste should prevail. Give the banks, the Treasury, and the people ample time to recover from the severe blow lately given to commerce. The country may be compared to a man who is suddenly stricken down by a blow. The country, like the man, must have time, appliances, and gentle treatment, to insure recovery from physicial and financial reverses.

A little oil to the wounds may be administered in the shape of twenty millions of legal-tenders in addition to the present volume. This will give blood to commercial circles for the moment. This prescription to be accompanied, as recommended by Doctor JEFFERSON, with a tax "IN THE SAME INSTANT FOR PAYING THE PRINCIPAL WITHIN A GIVEN TIME."

In other words, a peremptory order that the volume of the paper currency, the acknowledged source of our commercial evils, be gradually reduced until it assumes such proportions that the Treasury can sustain the load in all time to come. Take two or three years to accomplish this. In the meantime compel the National banks to hold in their vaults, or deposit in the Treasury, all the specie hereafter paid to them by the government in the shape of interest on their bonds.

Finally, Congress and the banks may take a lesson from the recent *pooling* by the New York city banks. The Treasury may be made the specie reservoir of the country—all the specie (or nearly all) of the whole country might be held at one point, in order to respond to the calls for redemption of the currency on demand.

By making all the paper issues redeemable at New York (as in GREAT BRITAIN, at one point), economy of labor and of capital may be used. As long as the legal-tender issues are provided for in their redemption by the Treasury, the banks will no longer need any reserve but legal-tender notes to respond to demands against deposits and bank notes.

If the banks will keep on hand a legal-tender reserve of twenty per cent. against their cash liabilities they need fear no panic in the future. The legal tenders, by a reduction to two hundred millions, should be sustained by two hundred millions of specie—DOLLAR FOR DOLLAR. Hence the banks would fear no run; the Treasury would have a basis to meet all future demands and to meet any unfavorable balance of foreign trade. The banks would, for the future, be beyond any combined or sudden demand from their creditors; the Treasury would be the centre, the controller, and (as in the steam engine) the GOVERNOR. In order to secure this elasticity of the circulation and give the Treasury a firm position at first, one hundred millions in specie could be borrowed abroad for a period of four, five or six years. The foreign export of gold might hereafter be the indicator of speculation at home. A reduction of the specie reserve below two hundred millions should not only suggest (but COMPEL) an advance of the rate of discount to nine or ten per cent., until the reservoir of specie be restored to its established basis.

LABOR.—The statesman regards labor as the perennial spring of national wealth, the source of national greatness, and the safeguard against national decadence. One of the first objects of the wise statesman must be to encourage the most free and uninterrupted development of the national industrial power. It is therefore of primary importance to understand the natural relation that exists between work and wages. The latter, indeed, the statesman can only regard as that one, out of various possible means of eliciting the energy of the workman, which is, all things considered, most suitable in the actual phase of civilization. The method which might, at the first glance, seem simple and more direct, and which may yet play a great part in the development of the industry of the future—namely, the opening of a direct credit for the workman, based on the time given by him to labor—has been found to offer such facilities for fraud and extortion on the part of the employer as to be now justly prohibited under the designation of the Truck System.

It will become evident to the statesman that employer and workman are in truth concurrent elements in the great social machinery. Their interests, in the long run, can never be opposed to each other. There must, therefore, exist a true relation between labor and wages; an equilibrium of remuneration, any departure from which, whether upwards or downwards, tends to diminish the produce of industry, and is thus hostile to the national well being. No object can more worthily engage the patient study of the statesman than the attempt to ascertain the law that determines the stable equilibrium of work and wages.
—*Edinburgh Review.*

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to November 1, 1873.

	January 1, 1869.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*October* 1, 1873.	*November* 1, 1873.
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$ 221,589,300	$214,567,300	$ 214,567,300	$214,567,300	$214,567,300	$ 214,567,300
New Loan of 1871, 5 per cent	....	....	96,997,650	200,000,000	274,000,000	274,705,000
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	282,736,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	952,263,850	951,361,700
	$2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$1,756,651,450	$ 1,723,567,500	$ 1,723,370,350
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$ 50,097,000	$ 64,618,832	$64,618,832	$ 64,623,512	$ 64,623,512	$64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$101,321,832	$ 82,081,512	$ 79,301,512	$79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$7,463,503	$ 7,315,822	$1,739,938	$ 4,084,220	$ 15,956,130	$ 14,226,290
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 356,079,742	$ 361,031,948
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	46,229,392	47,876,150
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	33,935,400	27,569,880
Currency, do. do.	....	....	....	25,370,000	11,250,000	8,875,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 447,494,534	$ 445,352,978
Aggregate Debt	$2,652,533,662	$2,487,750,892	$2,391,328,848	$ 2,295,814,538	$ 2,266,119,676	$ 2,262,251,130
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	94,785,790	95,500,737
Debt, less coin and currency	$2,540,707,201	$ 2,349,664,320	$2,264,034,528	$2,186,208,689	$ 2,171,333,886	$ 2,166,750,393

Coin in the Treasury, November 1, 1873, $ 82,313,581; Currency, $ 13,187,156; total, $ 95,500,737.

THE NEW YORK CLEARING HOUSE REPORT,

NOVEMBER 11, 1873.

The committee appointed by the New York Clearing House Association, "TO CAREFULLY CONSIDER AND REPORT WHAT REFORMS ARE REQUIRED IN THE PRACTICAL OPERATIONS OF BANKS WITH EACH OTHER AND WITH THE PUBLIC, TO INCREASE THE SECURITY OF THEIR BUSINESS," respectfully reports:

That, in order to reach the object sought by the resolution, it is necessary briefly to review the condition and practical working of the banking system in this city before the commencement of the late panic.

Banks are the natural depositories of the current capital of the nation, passing into and out of active industry and commerce. The balances held by them are for the time specially reserved by their owners from permanent investment, and kept subject to immediate command. They constitute a main portion of the wealth of the community which is not yet ready to be consolidated into fixed capital or immovable forms. The custodians of such funds are consequently bound by the very nature of their trust, to preserve them in their integrity, and to apply them only in such ways as will prevent them from falling into inactivity, and, also, to hold such proportion in ready cash in hand, as long experience has proved to be necessary, to meet immediate demands in every possible emergency. And it may be confidently affirmed that a bank, or banker, who faithfully meets all these obligations, renders a full equivalent for any benefits which can be honorably derived from the custody of such a trust.

No institution can, in the long run, *purchase* deposits of money payable on demand of the owners, and at the same time secure to itself a just and proper compensation for the business, without violating some of the conditions indispensable to the public safety. It must either use them in ways that are illegitimate and perilous, or use them in excess. This has been abundantly proved by innumerable instances in years past, and the practice of paying interest for such deposits was unanimously condemned by the bank officers in 1857, as one of the principal causes of the panic at that period, for the reasons given in a printed report, of which a copy is annexed hereto, and to which, with the consequent resolutions of the associated banks then adopted, your committee most respectfully invite attention.

The creation of many new institutions, since the late civil war began, which have considered it expedient to purchase public favor, and thus divert to themselves business from established channels, has revived the custom of paying interest upon deposits, and has also led some of the older banks, in self defense, to yield, more or less, to the pressure in the same direction, while it has induced others to adopt newer methods of obtaining patronage equally pernicious.

And thus a sharp and degrading competition has not only prevailed among banks in this city, but has been excited, as a necessary consequence, in other places, where the far-reaching enterprise of some of our associates has led them in pursuit of business, not only from institutions, but from all classes of society. Banks throughout the country have been aroused to enlist in the same destructive practices toward each other, and in defense of their various localities. A premium has been unnecessarily given for business, which, left to itself, would fall without cost into its natural channels, and adjust itself to such localities as the convenience of the people and the best interests of the country require.

Without such rivalry the resources of the nation would be so diffused among the banks as to give increased financial strength and stability to every part, and not only remove a great cause of irritation, but add to the comfort, efficiency and profit of all.

The evil results of paying interest upon current deposits, avowed when the internal commerce of the nation was conducted upon a specie basis, are greatly aggravated when it is carried on by an *irredeemable* currency, which has a fixed and invariable volume, and which flows to and from the commercial centre with the changes of the seasons. Such a currency is superabundant in summer, and instead of being then naturally absorbed and diminished by redemption, it accumulates in banks, which cannot keep it idle without loss of the interest paid to its owners. Legitimate commerce does not then demand it. It is still subject to instant call. There is consequently no resource but to loan it in Wall Street upon stocks and bonds, in doing which, so much of the nation's movable capital passes for the time, into fixed and immovable forms of investment, and its essential character is instantly changed. Loans are made with facility upon securities which have no strictly commercial quality, new and unnecessary enterprises are encouraged, wild speculations are stimulated, and the thoughtless and unwary are betrayed into ruinous operations. The autumnal demand finds the resources of the nation unnaturally diverted from their legitimate channels, and they can only be turned back with difficulty and public embarrassment. Such has been our well-known experience year after year. Interest upon money has, as a consequence, fluctuated widely from three and four per cent. per annum in summer, to fifteen and twenty per cent. in the fall and winter upon commercial paper, and upon stocks at times to one-half and even one per cent. a day. Vicissitudes like these are utterly destructive to all legitimate commerce, and institutions whose operations tend to such results are enemies to the public welfare.

Deposits which are derived from strictly commercial operations cannot fluctuate so widely, from time to time, as to produce disturbance in the community; and banks which confine their business to them, as they naturally arise, are always reliable and regular in their treatment of their dealers, and can be conducted with ease and comfort to their managers and safety to the public. On the contrary, deposits which are purchased by payment of interest, or otherwise, and which must, therefore, of necessity be largely loaned "on demand," are the cause of continual agitation and solicitude to those who hold them in charge. They are certain to be withdrawn at the season of the year and at the moment most inconvenient to the banks and to their dealers. This fact is best illustrated by the following figures:

The average deposits of the *sixty* Clearing-House banks for ten weeks from 5th July to 6th September were		$232,228,000
The lowest amount reached since the panic was		143,170,000
Showing a total reduction of		$89,058,000
Of the above amount during the ten weeks, *twelve* interest-paying banks held	$111,585,000	
The lowest total reached by them since the panic	52,669,000	
Showing a loss in twelve banks of		$58,916,000
and in the other 48 banks		$30,142,000

and were it not for the fact that several of the forty-eight banks are more or less involved in the same practice, this disparity would be still more apparent.

When the late panic commenced, the sixty banks composing the New York Clearing House were indebted for about two hundred millions of deposits. Of this amount *three* institutions (paying interest to their country depositors) owed about fifty millions, and including these, twelve banks of similar character owed about one hundred millions; that is to say, twelve institutions held one half of the aggregate deposits, and the other forty-eight, their associates, the other half. The proportionate reserve of legal-tender notes in the associated banks was also greatly in favor of the latter number, for the obvious reason, that banks which pay interest upon money can least bear to have any amount of it idle. The active demand first came, as it usually comes, for that portion of deposits due to country banks, who, in addition to their annual necessities, had been disturbed by failures of several city bankers, holding large balances of money due to the interior. These deposits were to a great extent loaned upon stocks and bonds in Wall Street, payable "on call," with the confident belief that they were there earning more than the interest paid for securing them, and were available as promised. But, from the very nature of the case, the rapid withdrawal of deposits from the banks made the "call" from every direction simultaneous, and closed every resource from which the "street" derived its power to respond. Borrowers upon stocks were deprived both of their facilities of borrowing, and of all power to sell their securities. The

necessary result occurred. Banks which found themselves in this dilemma had no alternative but to ask the assistance of their associates, and the conflagration was so rapid and violent that every consideration of fraternal sympathy, self-preservation and public safety, compelled a general and earnest co-operation; and the majority, who had for long years conducted their business upon sound principles, and who had patiently submitted to the loss of valuable accounts, drawn from them by their associates, by practices against which they had continually protested, instantly responded to the call by placing their resources at command of those who had done so much towards producing the calamity. Making common cause, the weak with the strong, to avert a universal catastrophe.

An expedient was found by which the stronger banks placed themselves under the unequal burthen, and equalized the pressure, by gathering in their resources and placing them at the disposal of the weaker, who were thus furnished with means to meet the demands of their depositors, and to save themselves from public exposure, and their dealers in city and country from disaster and ruin. Meanwhile the public confidence in institutions had become so greatly impaired that the "legal-tender reserve" was reduced from thirty-four millions, on the 20th September, to five millions eight hundred thousand on the 14th October—an amount of ready money never before paid out in the same time. Interior banks, whose ready means in hand had always been merely nominal, but whose resources consisted chiefly of credits upon the books of interest-paying banks in the principal cities, were under the necessity of calling back their deposits in a medium never before required, and to these the associated banks were asked to respond, as well as to the demands of timid dealers at home.

Your committee take this occasion to congratulate the associated banks upon the liberal and excellent spirit in which this crisis has been met, and upon the happy escape from a most imminent danger which threatened them, and with them the country at large. It is not too much to say that, had it been less boldly, promptly or unanimously encountered, the results must have been more disastrous and widespread than any that have occurred during the present generation.

While the banks have intelligently recognized the errors of their associates, by which the late financial complications were aggravated and the community imperiled, there has been no disposition whatever to deal in harsh reproaches. On the contrary, the magnitude of the trust is deeply felt, and the utmost good feeling prevails; an earnest desire and a unanimous determination are expressed on every side to reform existing abuses, and to reorganize the Clearing House upon a basis of mutual support and uniformity of business.

Late experience has again demonstrated the fact, that the banks in the association are necessarily dependent one upon the other in times of peril, as well as in the trusts which the large operations of the Clearing House daily impose, and that the entire body inevitably suffers from the errors and indiscretions of a single member. No

institution, therefore, has a moral right to conduct its affairs with the public in defiance of the general conviction of its associates, or to introduce private terms of dealing with its customers which are in conflict with the best interests of all. Bank officers have no right to be sharp personal competitors for public patronage, nor merely laborers for dividends on behalf of a limited constituency. They are in a most important sense trustees for the whole community, and public administrators of great interests, which forbid the least departure from principles which long experience has sanctified.

With these general considerations, your committee proceed to the more practical question submitted to them, viz.: "*What reforms are required in the operations of banks with each other and the public to increase the security of their business;*" and, first, and most prominent, they recommend THAT THE BANKS ENTIRELY DISCONTINUE THE PAYMENT OF INTEREST UPON DEPOSITS, WHETHER DIRECTLY OR INDIRECTLY.

THE RESERVE.

The requirement of a "legal reserve" is now engaging special public attention, and much impatience is expressed at the law which compels banks to hold a definite ratio of legal-tender notes to liabilities. The practical difficulty consists in attaching a rigid and inflexible rule of law to a mobile fund, which is held for the purpose of meeting sudden contingencies, and which is, therefore, in its very nature, a variable quantity. It is impossible clearly to prescribe by statute the circumstances or the exact periods during which the reserve should be increased or diminished. There seems an intrinsic absurdity in a law requiring that a "reserve" must be always kept, which was created on purpose to be used, or that a bank officer who draws upon his reserve, under circumstances for which it was intended, is false to the oath which he takes to obey the law. But the fact that a military commander cannot be definitely instructed when he may employ his reserve force, is not regarded as a reason why that important portion of an army organization should be abandoned, or be reduced in number or efficiency. So long as bank debts are subject to cash payments, so long must the obligation be either imposed or assumed, of keeping sufficient cash in hand to pay whatever portion can possibly be presented. It must always be remembered that, in the absence of any important central institution, such as exists in other commercial nations, the associated banks are the last resort in this country, in times of financial extremity, and upon their stability and sound conduct the national prosperity greatly depends. In claiming for them that, in taking faithful care of the active capital of the nation with which they are entrusted, they render a full and equitable compensation for its proper use, your committee point to the consequent and paramount duty of the banks to hold such proportion of that fund in actual possession in cash, as the extremest needs may demand.

It has been suggested that the federal principle which our associa-

tion has applied to banking, through the use of "loan certificates" in two important crises, might be used effectively in regular business, by keeping two separate accounts, viz: "*Cash*" and "*Bank Credit*," each payable in kind, to avoid a "run" upon banks in times of panic; and much speculative study throughout the world is given to the question how the idea of "clearing" as used through banks, may be indefinitely extended to effect the smaller exchanges of the community, so as to dispense in a great measure with large reserves of ready money. But in the present condition of economic science, and especially in this important exigency, your committee recommend that we accept the teachings of practical experience, and pursue the well-beaten track which trade and commerce universally recognize.

Experience of older commercial nations has shown that the volume of "reserve" should be in the proportion of one-fourth to one third the direct liabilities of a bank, and whenever it is there found receding from this amount, restrictive measures are taken to replenish it. Our own association in 1857 established a minimum ratio of twenty per cent. in coin, which was for the time carefully observed, and again in 1860 increased this minimum to twenty-five per cent. The present abnormal condition of the currency increases the difficulty inherent in this subject. The law permits the reserve to consist of coin and legal-tender notes, and at the same time compels banks to receive as money the notes of national banks, which in legal payments are not money; so that for practical uses as "reserve," we are troubled by a species of money which is above, and by another which is below, the standard quality. And it affords a striking commentary upon our present anomalous condition, that the money of the world, which is now freely coming into the country from legitimate commerce, cannot be absorbed into our banking system, but is necessarily repelled as a cause of serious embarrassment. The opinion that has largely prevailed, that because the business of this country is now conducted upon a basis of irredeemable paper, that therefore there can be no suspension of payments, has been most effectually dispelled, and the contrary is established, that a currency, from its nature, limited in volume, is subject to sudden and special dangers, and therefore requires special protection. Recent experience has shown how rapidly thirty-four millions may be withdrawn from our associated institutions, and for practical uses, how inadequate is the reserve held by country banks. That reserve, as fixed by law, is fifteen per cent. of liabilities, and three-fifths of it may consist of deposits in banks in the larger cities, who may subdivide it by placing one-half their own reserves in banks in the City of New York, where again it is subject to a further reduction, from the fact that these last are only required to hold twenty-five per cent. of their own liabilities, of which these deposits form part. The aggregate held by all the National banks of the UNITED STATES does not finally much exceed ten per cent. of their direct liabilities, without reference to the large amount of debt which is otherwise dependent upon the same reserves. When we consider that a portion of this

final reserve may consist of coin, which, under present circumstances, has no practical power in an extremity, and a further fact that the interest-paying banks, which have always held the larger part of those reserves, have been forced by their position continually to disregard the law, it is manifest that the requirement, in its real operation, has not worked against the public welfare, or against the true interests of the banks themselves.

The abandonment of the practice of paying interest upon deposits will remove a great inducement to divide these reserves between cash in hand, and deposits in cities, and make the banks throughout the country what they should always be, financial outposts, to strengthen the general situation. The Associated Banks of New York, the ultimate resource in financial emergencies, are deprived by usury laws, of the power, which is so effectively used by the principal banks in EUROPE, of protecting or augmenting their resources by adjusting the rate of interest to the necessities of the occasion—a power which, if practicable, Congress might safely confer upon the Clearing-House Committee, in consultation with the Secretary of the Treasury, with great advantage to the country; as also the power of deciding when the time or the emergency has arisen in which the public interest requires a relaxation of a rigid legal requirement in respect to the reserve to be held by banks in New York City.

If the legal or financial necessity exists to maintain a certain reserve, it is manifestly the duty of every institution to carry its just proportion, and no bank, whether incorporated under National or State law, can honorably evade its full share of this burthen.

Your Committee therefore recommend THAT ALL THE ASSOCIATED BANKS, WHILE THEY STRICTLY FOLLOW THE REQUIREMENTS OF THE NATIONAL CURRENCY ACT, BY KEEPING ON HAND, EITHER IN COIN OR LEGAL-TENDER NOTES, AN AMOUNT NOT LESS THAN TWENTY-FIVE PER CENT. OF THEIR TOTAL LIABILITIES TO THE PUBLIC, BE REQUIRED ALWAYS TO HOLD AT LEAST FIFTEEN PER CENT. IN LEGAL-TENDER NOTES, subject only to such modifications as the Clearing-House Committee may, from time to time, unanimously determine.

A suggestion has been made, which your Committee consider worthy of notice, because it has heretofore proved an important restriction to excessive expansion, and because it may assist in preventing many of the evils referred to—that NO INSTITUTION BE ALLOWED TO LOAN MORE THAN TWO AND A HALF TIMES ITS CAPITAL AND SURPLUS.

CERTIFICATION OF CHECKS.

The practice of certifying checks upon banks as "good," has proved a great public convenience, and has for that reason grown into extensive use. Your committee approach its consideration with some embarrassment. The custom originated in the natural inquiry of bank tellers respecting the standing and credit of their dealers,

and for many years it had little significance, otherwise than as giving clerical information. Checks so marked were not regarded as binding upon institutions in the nature of an official acceptance, and were, therefore, not entered upon their books. It was only since about the year 1850, that a new and influential institution deemed it expedient to define the character of an act then vague and uncertain, by charging such checks to the accounts of their drawers; since when they have been legally regarded as formal obligations, and have become the medium of the most important transactions. If such writing certified to a real fact, that the bank actually had in possession, and due from it to the drawer of the check the stated sum, which it thus agreed to transfer to another party, no possible injury, bnt great good would ensue. But when a bank binds itself to transfer what it has not, but only expects to have, it assumes for its dealers, without reason, all the contingencies incident to human transactions, and places its shareholders under perils which they never intended to assume.

The power of certifying checks is necessarily entrusted to clerks or subordinate officers, who are employed to perform the ordinary and more mechanical duties of the bank, and who are supposed to be strictly limited in giving to every dealer, only what has before been received from him. And the power of bestowing credit is reserved for abler and more experienced men, themselves personally identified with the interests they administer, who gravely deliberate upon every transaction, and decide with the light of their united wisdom. But the practice of certifying uncovered checks, as pursued in some institutions, entirely reverses this established order, and while the responsible council is carefully deliberating over smaller credits, a non-commissioned officer is freely bestowing them in larger volumes, without security, upon comparatively irresponsible men. So extensively has this practice been pursued by several institutions that the amount of such checks, which have passed daily through the clearing house, has reached in some instances to twice and three times, and in one or two, to four and five times their capital stock, and this through long periods of time.

Every bank in the association is directly involved in the risks attending this practice. It multiplies excessively the sums which such institutions pass through the clearing house, and the consequent balances of the exchanges with their associates, which the capital of such banks can never adequately guarantee.

The most striking commentary upon the danger of this practice, was afforded during the late panic, by the dealer of a bank who had largely received such favors, and who, seeing by its application to others, that his own checks were in peril, declined, under advice of counsel, to cover them by a deposit, until otherwise assured that the bank could respond to these very obligations.

No sufficient reason, in the opinion of your committee, can be given why a corporation should place itself, without compensation and special security, between two parties dealing with each other, and

become the guarantor of either, in transactions entirely personal to themselves, simply because one or the other is a depositor in the institution. We have already stated that the safe custody of money payable "on demand" is full compensation for its legitimate use, and the risks attending such a business are all that properly appertain to the profession of a banker. And if the rule be INVARIABLY observed of certifying checks only when the drawer has the full amount at his credit in the bank, no one can be injured or offended when he is treated in all respects like every other of his fellow dealers. The restriction suggested will work favorably to every interest—to the banks, their shareholders, and their associates, by diminishing the risks now so widely incurred, and it also conforms to and confirms the law which Congress has estabished upon this subject in respect to National banks.

Your committee therefore recommend THAT IN NO CASE SHALL A CHECK OR OTHER OBLIGATION BE CERTIFIED BY A BANK, UNLESS THE AMOUNT OF IT IS FIRST FOUND REGULARLY ENTERED TO THE CREDIT OF THE DEALER UPON THE BOOKS OF THE INSTITUTION.

INDIRECT EXCHANGES.

A custom has grown up among the associated banks, and has greatly increased within the last few years, of engrafting upon themselves, and thus admitting to the benefits of the Clearing House, other institutions and individuals, who, while not eligible to regular membership, participate in all its advantages without sharing its expenses, incurring its responsibilities, or submitting to its regulations. Over all these the association has no possible control. They consist of banks, and corporations of various character and objects, in this city and vicinity, many of whom attract to themselves deposits of active capital from the commercial community by extraordinary rewards, and use it for purposes and enterprises which are illegitimate in regular banking. The associated banks thus find themselves surrounded by diligent competitors in their proper business, which increase their risks, while they lean upon them for support. By keeping a satisfactory balance in bank, for which interest is frequently paid, these institutions avoid the necessity of any money reserve whatever, and not only invest all the resources at their command in profitable or unprofitable enterprises, but have a claim upon their patron bank for assistance in time of need. The banks are thus deprived of a large portion of commercial deposits that would naturally come to them, and incur increased and indefinite risks, and the public are unconsciously placing their ready means where they are subject to unusual hazards.

Any bank in the city, worthy of public confidence, may become a regular member of the Clearing-House Association, and the banks which compose it are bound, in duty to themselves and to the public, to withhold the special support of this body from any who cannot submit to, or safely pass through the necessary examination which

entitles them to credit. And your committee can see no valid reason why banks outside this city should receive the benefit of the New York Clearing House, when they share none of its burthens, and submit to none of its regulations.

They, therefore, recommend THAT NO BANK SHALL RECEIVE UPON DEPOSIT, FROM ITS CITY DEALERS, CHECKS OR DRAFTS OTHER THAN UPON BANKS MEMBERS OF THIS ASSOCIATION.

Receiving Out-of-Town Checks as Cash Deposits.

Among the various devices introduced to attract mercantile accounts, and to secure deposits of country banks, is that of receiving and crediting immediately as cash, checks and drafts upon places out this city—a practice which was commenced as a special inducement by one institution, but which, as the natural consequence of unfair competition, has been followed and extended by others, until it embraces points far and near throughout the whole country. It has been carried on with such utter disregard of the laws of exchange, and of the time necessary to effect returns, that the former and regular methods of making payments in, and remittances to this city, is greatly changed. Interior merchants, finding that checks upon their own localities are readily accepted as cash in New York, prefer that mode of payment, and they are naturally encouraged to do so by their banks at home, who receive the benefit; so that our own institutions are not only deprived of deposits which by the laws of trade naturally belong to them, but they are daily encumbered by a miscellaneous mass of checks, which occasion serious embarrassment, loss of time, great risk, clerical labor and expense in collecting, entirely caused by this unnecessary diversion of business from its natural courses. Some of the interest-paying institutions, which have by this expedient enlarged their correspondence with interior banks, have, with them, adopted peculiar methods of facilitating such collections, which they regard as advantageous to themselves, but by which they are continually extending this evil. City merchants, whose business is chiefly with the country, now accept such checks freely from their customers, because their banks will accept them from them, and many of the accounts which, from their amount, dealers regard as very valuable to their banks, the latter find by experience to result in actual loss. Instead of being the natural depositories of country banks for the business of legitimate commercial exchanges in the city, such banks are thus made ours. The subject is the cause of continual irritation and discord between banks and their customers, and between the banks themselves.

Your Committee, in considering this evil, can perceive no remedy but by its total abolition, and they therefore recommend THAT THE CLEARING-HOUSE COMMITTEE BE REQUIRED TO ESTABLISH MONTHLY, A SCHEDULE OF MINIMUM RATES AT WHICH THE ASSOCIATED BANKS SHALL RECEIVE ON DEPOSIT, CHECKS AND DRAFTS

UPON PLACES OUT OF THIS CITY, AND TO WHICH EVERY BANK SHALL BE BOUND STRICTLY TO ADHERE.

Having now considered the prominent evils which exist, the removal of which your committee consider as indispensable to the harmonious intercourse between banks bound together by common interests, and having recommended for their removal—

1st. That payment of interest upon deposits, either directly or indirectly, be entirely prohibited.

2d. That each bank, while it observes the requirements of the law of Congress respecting a reserve fund, be required to carry at all times an amount of legal-tender notes, equal to at least fifteen per cent. of its liabilities to the public.

3d. That no bank shall certify a check as good until the full amount of it shall appear upon its books from a deposit, regularly entered to the credit of the drawer.

4th. That no check or draft shall be received by a bank upon deposit at par as cash, drawn otherwise than upon one of the banks composing the Clearing-House Association.

5th. That all checks and drafts upon places out of the City of New York shall only be taken at rates of discount established monthly by the Clearing-House Committee.

They now proceed to state how the observance of these rules may be effectively secured. It is well known that in some of these, the sentiment of the Association has been repeatedly expressed, and resolutions of reform have been adopted, but which have gradually fallen into neglect.

Your Committee believe that late occurrences have produced a deeper conviction, both in the Association and in the public mind, of the inter-dependence of the banks upon each other, and of the wrong which any one member imposes upon the entire body, by unsound or irregular practices. They, however, recommend as an effectual security for the future:

That the constitution of the Clearing House be changed into articles of association, which shall be signed by the officers of every bank, or member, and ratified by its Board of Directors. And your committee respectfully submit for consideration the accompanying instrument, which has been compiled from the present constitution of the Clearing-House Association, with such changes and amendments as present circumstances have suggested.

Your committee also recommend that the Clearing-House Committee shall procure a tablet, containing in large and very legible impressions, the rules which are to be observed by each member in dealing with the public, as follows:

RULES

OF THE

ASSOCIATED BANKS

OF THE CITY OF NEW YORK

WITH THEIR DEALERS.

1. *No bank shall pay, or procure to be paid, interest upon deposits.*
2. *No Check shall be certified until the full amount is first deposited.*
3. *Checks upon Associated Banks only, received on deposit.*
4. *Checks upon places out of New York City, received at rates of discount fixed by Clearing House Committee.*
5. *Checks will be taken at depositor's risk, and collected through the Clearing House.*
6. *Checks not good, will be returned to the depositor the day following.*

Banks not strictly observing these Rules will be excluded from the Clearing House Association.

These shall be appropriately framed, and always kept conspicuously suspended in the banking-room of each institution for public information.

With these regulations, the public are always informed of the terms upon which alone they may conduct their business uniformly with every bank that has the facilities and the support of the Clearing-House Association. With these always in view, no person worthy of credit at a bank can ever ask a deviation from them, and no institution can retain the confidence of any respectable dealer after it is thus known to have compromised its integrity.

By these important changes, many of the evils which have grown up in the business community, and which have their origin in the

vicious practices of banks, will expire, the banks will resume their rightful position as safe and substantial supports of legitimate commerce, and their officers will be relieved from the anxieties which, in the present unnecessary competition, continually pursue them.

All which is respectfully submitted by

GEORGE S. COE, *President American Exchange Nat. Bank.*
W. L. JENKINS, *President Bank of America.*
J. M. MORRISON, *President Manhattan Bank.*
MOSES TAYLOR, *President National City Bank.*
F. D. TAPPEN, *President Gallatin National Bank.*
JOHN E. WILLIAMS, *President Metropolitan National Bank.*
J. L. EVERITT, *Cashier National Broadway Bank.*
ROBERT BUCK, *Cashier Pacific Bank.*
JOHN Q. JONES, *President Chemical National Bank.*
Committee.

JOSEPH SAXTON.—Mr. JOSEPH SAXTON, Superintendent of Weights and Measures, United States Coast Survey, died at his residence, in Washington. He had been in failing health for the past four years, having, during that period, suffered from a succession of paralytic strokes, which terminated in his death. A Washington paper has the following sketch of his life: Mr. SAXTON was born in Huntingdon County, PENNSYLVANIA, on the 22d of March, 1799. He was a man of extraordinary mechanical genius, and may be justly ranked among the eminent self-made men of the present century. The late Professor BACHE, in an assemblage of scientists a few years since, pronounced him to be the "greatest mechanical genius the world ever saw." In early life Mr. SAXTON learned the silversmith business in his native town, and when but sixteen years of age made a printing-press, and printed a small newspaper. When quite a yonng man he went to Philadelphia in a boat built by himself. He resided in the Quaker City several years. While there he made the old city clock, which yet marks the time from the summit of Independence Hall. Subsequently Mr. SAXTON went to London, and in that city and in Paris he resided nine years. He was the inventor of the celebrated electro-magnetic machine by which the first magnetic spark was produced, and which he exhibited in London in the presence of forty thousand people including forty distinguished scientists. While in that city he made the machinery for the Philadelphia mint, and was sent for to put it up. He was employed in the mint for seven years in making the dies of the coin then in use. Mr. SAXTON came to Washington about twenty-eight years ago, under the auspices of Professor BACHE, then Superintendent of the United States Coast Survey. Since that time he has been employed in that office, and was, at the time of his death, as above stated, Superintendent of Weights and Measures—a position which he filled with marked ability. While on this duty he made sets of weights and measures for all the State capitals of the Union, and also for the several custom-houses throughout the country. A fine pair of scales made by him attracted great attention at the London Exposition, and a gold medal was awarded him. He was also the recipient at various times of other medals awarded for his meritorious works. The deceased had been a prominent member of the Academy of Sciences, of the Franklin Institute of Philadelphia, and of other scientific organizations, and also a regular contributor to the *Scientific American* and standard publications in the scientific world. He was a devotee of mechanical science and was highly honored by the distinguished scientists who were his contemporaries.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page* 387, *November No.*)

STOCKS.	AUG., 1873. Lowest.	AUG., 1873. Highest.	SEPT., 1873. Lowest.	SEPT., 1873. Highest.	OCT., 1873. Lowest.	OCT., 1873. Highest.
U.S. Six per cts. of 1881, Coupon Bds.	119⅛	120⅛	115¼	119⅞	111⅛	116
" Five-Twenty of 1862, "	117	117⅛	113⅝	113⅞	105	109
" " 1864, "	117	117⅝	114¼	117¼	106⅛	110
" " 1865, "	118¾	119⅝	110	118¾	107⅛	111⅝
" " 1865, New, "	117	117¾	111¼	116⅞	109¾	113⅞
" " 1867, "	118⅝	119⅝	113¾	119¼	110⅛	115¼
" " 1868, "	118	119	113	118⅞	110¼	115
" Ten-Forty Coupon Bonds	115⅛	116⅛	116	114¾	105	110⅛
" Five per cent. of 1881	113¾	114⅞	111⅛	114⅞	106⅝	109¼
" Six per cent. Currency	113⅛	114⅝	107¾	113⅝	108¼	111⅝
Tenn. Six per cent. Bonds, Old	81¾	82⅛	72	82⅝	68	75
" " " New	81⅝	82¼	72½	82	69	74¾
Virginia Six per cent. Bonds, Old	..	..	..	..	35	35
" " " New	..	..	..	..	..	..
" " " Consol	51¾	53¼	51	52	43⅛	48⅛
N. Carolina Six per ct. Bonds	..	..	27	27⅛	..	..
" " New	16	16	..	..	..	..
" " Special Tax	..	..	..	..	..	..
S. C. Six per ct. Bds. Jan. & July	15	15	14	14	9	11
" " April & Oct.	..	..	14	30	..	..
Missouri Six per cent. Bonds	92	93¼	84	92¼	85	89¾
Canton Company of Maryland	98	102	70	98½	55	80
Delaware and Hudson Canal Co.	112⅛	114⅛	111	114	100	109
Consolidated Coal Co. of Maryland	54	55	40	54¼	38	47
Quicksilver Mining Company	38	39⅞	19	35⅛	20	23⅛
" " Preferred	..	..	30	45	27	27
Mariposa Mining Company	..	..	..	..	..	..
" " Preferred	½	⅛	..	..	..	..
Western Union Telegraph Co.	87⅞	93⅛	54¼	92½	45	73⅛
Pacific Mail Steamship Company	36¾	45⅛	31	44⅝	25	37¼
Adams Express Company	92¼	95	84⅛	92¼	78	85
Wells, Fargo & Co. Express Co.	72⅛	74⅛	56	75	55½	69
American Merchants' Union Express	61⅛	64	57⅛	62⅝	50	60
United States Express	67	68¼	51	68⅛	44¾	60
N. Y. Cent. and Hudson River R. R.	103⅞	105¾	89	105⅛	80⅝	96
Erie Railroad, Common	58⅝	61⅞	50¾	59⅞	44½	53⅛
" Preferred	72	73⅛	66	73⅛	64½	70¾
Harlem Railroad, Common Shares	130¼	133⅞	90	130¼	100	119
Reading Railroad Shares	..	..	..	..	..	..

Stocks.	Aug., 1873. Lowest.	Aug., 1873. Highest.	Sept., 1873. Lowest.	Sept., 1873. Highest.	Oct., 1873. Lowest.	Oct., 1873. Highest.
N. York & New Haven R.R. Shares..	136	138	135⅛	136⅛	116⅛	130
Michigan Central Railroad Co	91	95⅛	80	90⅝	65	79
Lake Shore & Mich. Southern R.R..	92¼	95⅝	73	93	58	79
Panama Railroad Company Shares..	113	116½	84	117⅛	80	100
Union Pacific Railroad " ..	25¾	29	17⅛	27½	15¼	21⅝
Illinois Central Railroad " ..	106⅛	109	103⅛	105⅛	92	100
Cleveland & Pittsburgh R.R. " Gtd.	87⅞	89⅛	79½	87¼	73¾	83⅛
" Col., Cinn. & Ind. R.R...	84	86	78	85	67⅛	78
Chicago, Rock Island & Pacific R.R.	108⅝	110⅜	86	108⅞	84½	96¼
" Burlington & Quincy "	98¾	106	90	98⅛	84⅞	92¾
" & Alton Railroad Shares..	104¼	110	100	104	85	94
" " " Pref.	111½	111⅛	..	..	..	..
" & Northwestern R.R. Shares	64	69¼	40	65	31⅛	46
" " " Pref.	81¼	83¾	64	82	54	71
Del., Lackawanna & West. R.R. Co.	100	102	86	100⅛	80	93½
Pittsb'gh, Ft. Wayne & Chic., Guar.	93½	94	93⅝	94⅛	81	90
Toledo & Wabash R.R. Co. Shares.	67¼	73	39⅛	70⅛	32¾	49⅛
" " " Pref.	..	..	..	..	..	..
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
" " " Pref.	..	..	39	39	25	35
Ohio & Mississippi R.R. Co. Shares	38	40⅝	26⅛	39¼	21	30⅝
Hannibal & St. Joseph R.R. "	36	39⅛	19	37¾	16	26
" " " Pref.	52	54¼	33	50	24	35⅛
Milwaukee & St. Paul R.R. Shares	50⅝	53¾	30	51	22¼	35⅛
" " " Pref.	70	74	56	70⅞	44	61
Boston, Hartford & Erie R.R. Shares	2⅛	2¾	1⅞	2¾	1⅛	2
Col., Chic. & Ind. Cen. R.R. Shares	30	32⅝	19	31⅛	16⅝	24⅝
Dubuque & Sioux City Railroad...	60	62	..	..	55	55
New Jersey Central Railroad Shares	102¼	103⅛	91¼	102⅛	86	95
Morris & Essex Railroad Shares...	91¼	92⅝	91	91½	84	88
N. Y. Central Six p. ct. Bds. of 1883	91¾	93	92	92¼	88	90
Erie First Mortgage Bonds of 1868..	104	104¼	104⅝	104⅝	..	..
Long Dock Bonds.................	95¾	96	94¾	95	90	95
Mich. Southern Sinking Fund Bonds	104	104	104¾	105	100	102⅛
" Seven p. ct. 2d Mtge.	99⅞	99⅞	99	99¾	95	97⅛
Central Pacific 1st Mortgage Bonds	99⅝	100⅝	80	100¼	84	94
Union " " "	80	82⅛	72⅛	80¾	69	75⅛
" " Land Grant Bonds..	71	73⅛	70⅞	73	58	68
" " Income Bonds......	61⅝	65	50	59¼	36	54
Alton & Terre Haute 1st Mtge. Bds.	99	100	..	..	93	93
" " 2d " Pref.	87⅛	88	87	87	79	83
" " " Income Bds.	..	..	76⅛	76½	72	77
Belleville & So. Ill. 1st Mtge. 8 p. ct.	..	..	96⅞	96⅞	92⅛	92⅛
Chic. & N. W. Consol'n S. F. Bonds	90⅛	92¾	89⅛	90	83	86
" " 1st Mortgage Bonds..	97	100	99	99	89	95¾
Cleveland & Tol. Sinking Fund Bds.	101	101⅛	101¾	101¾	99⅛	101
" & Pittsb'gh Consol'n Bds.	..	..	..	..	..	..
" " Second Mtge.	..	..	..	..	..	..
" " Third "	98	99	..	..	97	100
" " Fourth "	85½	87½	87⅛	87⅛	84	86½
Chic., Rock Isl'd & Pac 7 p. ct. Bds.	102	102¾	101½	102½	98	100
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds	96	97	96⅛	96½	90	95
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	89¼	90¼	88¾	89½	72	84
" " " " 2d "	69½	70	68	69	50	62½
Toledo, Peoria & Warsaw 1st, F D.	92	93	..	..	80	86
" " " 1st, W D.	..	..	87	87½	77½	80½
" " " 2d, W D.	77	77	..	..	..	..
Cedar Falls & Minn. 1st Mtge. B ls.	79⅜	79¾	75⅛	78⅛	73	75
Boston, Hart. & Erie 1st Mtge. Bds.	31⅝	34⅛	22¾	31⅛	20	25

NEW LOANS.

OTTAWA CITY LOAN.—Messrs. GRANT BROTHERS & Co., bankers, London, announce a further municipal loan of the city of Ottawa, CANADA, of £120,000, sterling. The loan is at six per cent., interest and principal being both payable in London, in gold, at the banking house of Messrs. GRANT BROTHERS & Co., in Lombard Street. Prior loans of a similar character, both of the cities of Quebec and Ottawa, have met with a favorable reception, and are now quoted at 107 to 110. The present loan is offered at 102 per cent. As mentioned in a review of Mr. COLER's work upon the law of Municipal Bonds of AMERICA, we regard these loans to municipal corporations as securities of a very high order, bearing a remunerative rate of interest to the investor.

In the present instance, the issue is made for drainage purposes under the authority of an Act of the Provincial Legislature, with the consent and approbation of the municipal electors.

PHILADELPHIA AND READING R. R.—Messrs. M'CALMONT BROS. & Co., bankers, London, announce an issue of £2,000,000 sterling, six-per-cent. improvement mortgage bonds of the above railway. Both principal and interest will be paid at the option of the holder in London in sterling, or in Philadelphia in gold, free of all federal or State taxes.

The issue is made in bonds of £200 or £1,000 each, the interest being payable on 1st April and 1st October, and the principal being redeemable at par in twenty-four years, by the operation of an accumulative sinking fund.

Interest commences from the 1st October last, and the bonds are issued at an issue price of £ 87½ per cent.

A summary of very valuable information upon this railway and its connections will be found in *Poor's Manual of the Railroads of the United States.*

From this it appears the main was chartered in 1833, and opened for traffic 1842. As now developed, the system of main, branch, and leased lines is equivalent to 339 miles of main and 1,045 miles of branch lines, or 1,385 in all. For some eight years the system has been paying dividends of 10 per cent. per annum. The revenue for 1872 exceeded $13,000,000.

THE LAW OF TRUSTEESHIP.

Case of Jaudon *v.* Duncan, Sherman & Co., New York. Before the Supreme Court of the United States, December Term, 1872.

1. A person lending money to a trustee on a pledge of trust stocks, and selling the stocks for repayment of the loan, will be compelled to account for them, if he have either actual or constructive notice that the trustee was abusing his trust, and applying the lent money to his own purposes.

2. The lender will be held to have had this notice when the certificates of the stocks pledged show on their face that the stock is held in trust, and when, apparently, the loan was for a private purpose of the trustee, and this fact would have been revealed by an inquiry.

3. The duty of inquiry is imposed on a lender lending on stocks, where the certificate of them reveals a trust.

4. These principles are not affected by the fact that the stocks pledged may be such as the trustee under the instrument creating his trust had no right to invest in; as *ex. gr.*, stock of a canal company, when he was bound to invest in State or Federal loans.

5. Notice to the cashier of a bank, or of bankers, that the stock pledged is trust stock, is notice to them.

Appeal from a decree of the Circuit Court for the Southern District of New York. The case was thus:

In 1833 Commodore William Bainbridge, a resident of Philadelphia, died; leaving four daughters, one of whom was Mary T. B., subsequently the wife of Charles Jaudon. By his will he left to two trustees a considerable sum of money, directing them to invest the same in the stocks of the United States, or the stocks or funds of any individual State, and to hold the same in trust for his several daughters; one-fourth for his daughter Mary, the interest to be paid to her, "for her sole use and benefit during her natural life, and at the end of her natural life, the amount so invested to be equally divided between her children." The property left by the Commodore was invested by his trustees as the will directed, chiefly in five-per-cent. loans of Pennsylvania, and the interest was properly paid to the daughters. The interest received from the Pennsylvania loans, five per cent., was less than the *cestui que trusts* were content with; but the trustees appointed in the will would not depart from the directions imposed on them by it as to the class of investments in which they could invest; and becoming thus unacceptable to the *cestui que trusts*, they were discharged, in 1835, at their own request, from their trust, and surrendered the estate under their care to

SAMUEL JAUDON, whom, on the consent of Mrs. JAUDON, the court appointed, *without security*, to be trustee, in the place of the trustees named in the will.*

The Pennsylvania five-per-cent. stock was now soon sold, and the proceeds invested by SAMUEL JAUDON in the stock of the Delaware and Raritan Canal Company, according to an arrangement previously made with the *cestui que trusts;* the new stock being one of a high character *in its class*, and which has paid for many years, with great regularity, ten per cent. a year dividend, with occasional large *extra* dividends. Mrs. M. T. B. JAUDON got thus finally 117 shares of this stock. The certificates, of which there were several, all ran thus:

"This is to certify that S. JAUDON, *trustee for* Mrs. MARY T. B. JAUDON, is entitled to seventy shares in the capital stock of the Delaware and Raritan Canal Company. . . Transferable on the books of the Company, and on surrender of this certificate only by him or his legal representative."

This investment was made very soon after the new trustee was appointed. A similar one was made for all the sisters, and was perfectly agreeable to them all. Mrs. JAUDON considered that the trustee was "acting very judiciously, and was very glad of it."

In this state of things SAMUEL JAUDON, who had been dealing largely on his own account in a stock known as "Broad Top Coal and Iron Stock," a speculative stock of no established value, applied in 1865 to the NATIONAL CITY BANK of New York to lend him money on 47 shares of this stock. They agreed to do so, and he delivered to the cashier of the bank the certificates standing in his name as trustee, executing also a power of attorney to sell in case of non-payment of the loan; the power describing him as "S. JAUDON, *trustee for* Mrs. M. T. B. JAUDON," and he signing himself in the same way. This dealing of JAUDON with the CITY BANK, based on the stock in question, and commencing in 1865, extended through a term of two years. During this time ten separate loans were made to him on the pledge of the 47 shares of the canal stock. The securities were returned to JAUDON whenever he paid up the amount of a loan, and redelivered to the bank each time a new loan was effected. In December, 1867, when the last loan matured, the bank, being unwilling to renew it, and JAUDON unable to pay it, sold the stock by the direction of JAUDON, and applied the proceeds of the sale to the payment of its debt.

A few months prior to this sale, that is to say, in July, 1867, JAUDON, wanting more money, applied to DUNCAN, SHERMAN & Co., bankers of New York, with one of which firm, WILLIAM BUTLER DUNCAN, he had had ancient relations, and with whom alone he spoke in the matter, for a loan of $ 7000 at 90 days; telling him that he had securities to offer, and naming them,—the remaining 70 shares of the canal stock, like that pledged to the bank, declared on its face

* The new trustee was a brother of CHARLES JAUDON, the husband of Mrs. M. T. B. JAUDON.

to be "in trust for Mrs. M. T. B. JAUDON." "*Upon the faith of the collaterals*," and "to oblige" JAUDON, the proposition was accepted by Mr. DUNCAN, who told his cashier to attend to the matter. The cashier accordingly lent JAUDON the money, taking the certificates for the 70 shares, and a power to sell like those in the other case, in which he both described and signed himself as "*trustee of* Mrs. M. T. B JAUDON." JAUDON failing on the maturity of the loan to pay it, the stock was sold. There was no evidence that any of the principals of the house of DUNCAN, SHERMAN & Co. had seen the certificates or powers, or had any personal knowledge of the fact that Mrs. JAUDON claimed any interest in them. But their clerk did see the certificates; and it was testified by Mr. W. B. DUNCAN that "without the collaterals he certainly would not have made the loan."

Mrs. JAUDON was absolutely ignorant of all that was done, until after the stock was sold, when SAMUEL JAUDON disclosed the history to her.

There was no doubt that every one of these loans, whether by the CITY BANK or by DUNCAN, SHERMAN & Co., were to JAUDON in his personal character and for his individual use, and that the money obtained was applied to discharge liabilities incurred in the purchase or carrying of the Broad Top coal stock, in which he was at the time dealing on his own account; taking in his own name, and without the exhibition of any trust whatever, certificates for what he bought.

JAUDON being insolvent, Mrs. JAUDON now filed a bill in the court below against him, DUNCAN, SHERMAN & Co., and the NATIONAL CITY BANK, to reach the proceeds of the property which he had disposed of. JAUDON was himself examined as a witness, and narrated with apparent general candor the history of the transaction. He stated, however, in reply to questions inviting such answers, that from his conversations with his sister-in-law (the complainant), it was his general understanding that any changes in investment which he deemed advisable would be approved by her; and that if the investment in Broad Top stock had resulted as he had anticipated, her income would have been further increased; and that in making a purchase of the stock his intention was "to surprise her by giving her something that was worth a great deal more than all the rest." With all this he stated, however, that he had never had any conversation whatever with his sister-in-law on the subject of changing the investment made in the canal stock.

The court below decreed that DUNCAN, SHERMAN & Co. should account for the value of the 70 shares pledged to them and sold, with the dividends and other proceeds that would have been reeeived thereon, including interest on the dividends had they not been diverted from the trust. And that the bank should do the same by the 47 shares pledged to them and sold.

Both DUNCAN, SHERMAN & Co. and the CITY BANK appealed.

Mr. W. W. MCFARLAND, *for* DUNCAN, SHERMAN & Co.; Mr. W. H. ARNOUX, *for the* NATIONAL CITY BANK, *appellant.*

Assuming that both of the defendants are to be charged with constructive notice that the stock in question was held subject to some trust, from the circumstance that the word trustee appeared upon the face of the certificates, a presumption impossible to make in regard to DUNCAN, SHERMAN & Co., no member of which firm ever saw the certificates—such notice cast upon the defendants no other duty than that of ascertaining whether the power to sell and buy securities, ordinarily attending the title to such securities, had been in this case lawfully withheld from the trustee by the terms of the trust.*

While in the case of executors, the law implies the power to dispose of the personal assets, and a purchaser may, as a rule, assume its existence without inquiry, and while in the case of strict trustees, where the purchaser has notice of the existence of the trust, it may be necessary for him to ascertain that the power of sale has not been withheld by the terms of the trust; nevertheless, unless it has been withheld, and the trustee is therefore unable to sell without committing a breach of trust, the principles of law, which govern both cases, are from that point forward the same, and are so treated in all the authorities.

In cases where it is the duty of the purchaser to inquire into the trustee's power to sell, and he finds that he possesses this power, and may sell, without by the act of sale committing a breach of trust, he has the right to presume, as the law presumes, in favor of honesty and against fraud.†

There are a few cases in which the purchaser is bound to see to the application of the purchase-money. To this class the foregoing observations are of course inapplicable, but to this class the case at bar does not belong.

2. A pledge or mortgage stands upon the same footing, and is governed by the same principles as a sale, it being but a part execution of the larger power, and the exercise of which may be just as beneficial to the beneficiaries.‡

3. There was no violation of the trust in question by the trustee in disposing of the canal stock. It did not even belong to any of the classes of securities in which the testator expressed a desire to have his estate invested. For aught that the defendants knew, it might have been the intention, as perhaps it was the duty of the trustee, by raising the money in question, to *reinvest* the trust funds in the class of securities contemplated by the testator. The testator's express desire in regard to the character of the investment of the trust funds, was disregarded with the consent and at the solicitation of the beneficiaries, in hopes of thus securing a larger income.

4. The evidence of Mr. JAUDON shows that it was left largely to

* Ashton *v.* Atlantic Bank, 3 Allen, 217; Albert *v.* Savings Bank, 1 Maryland Chancery Decisions, 408; Atkinson *v.* Atkinson, 8 Allen, 15; Pennsylvania Life Insurance Co. *v.* Austin, 42 Pennsylvania State, 257; Garrard *v.* Pittsburg and Connellsville, &c., Co., 29 Id., 154; Dodson *v.* Simpson, 2 Randolph, 294; Tillinghast *v.* Champlin, 4 Rhode Island, 173, 213; Field *v.* Schieffelin, 7 Johnson's Chancery, 160; McLeod *v.* Drummond, 14 Vesey, 353.

† Broom's Legal Maxims, 911?

‡ Petrie *v.* Clark, 11 Sergeant & Rawle, 388; Miles *v.* Durnford, 2 Simons [New Series], 234; Russell *v.* Plaice, 18 Bevan, 21.

him by this *cestui que trust*, his sister-in-law, in what security to invest. There had been a complete departure from the terms of the will by the investment in canal shares. The change to Broad Top stock was no greater than that was. Mr. JAUDON considered the Broad Top a promising investment, and hoped to surprise his sister-in-law by a most agreeable accession to her income. He meant to *re*invest the trust moneys produced by the sale of canal shares in this new stock. This, no doubt, it was wrong in him to do; but not more wrong than what he had already done; and in one case, as in the other, he meant all for the best. But the canal stock having been sold really to make a trust reinvestment, neither DUNCAN, SHERMAN & Co., nor the bank can be made liable for the failure of the new fund; though, of course, Mr. JAUDON can be for violating the directions of his testator.

Mr. T. R. STRONG, *contra.*

Mr. Justice DAVIS delivered the opinion of the court.

It is too plain for controversy that SAMUEL JAUDON committed a gross breach of trust in allowing the shares of stock in the Delaware and Raritan Canal Company to be disposed of and applied in the manner they were; but as he is insolvent, and the specific property cannot be reclaimed, the inquiry arises whether the appellants, with whom the shares were pledged and for whose benefit they were sold, or the *cestui que trust*, shall bear the loss occasioned by his misconduct.

It is argued that the appellants bear a different relation to this stock from what would be the case if the investment in it had been authorized by the terms of the will. It is true the will directed investments to be made in government or State stocks, and on this account the conversion by JAUDON of the State stocks on hand into canal stock, was a wrongful act and a breach of trust. But the *cestui que trust* was at liberty to approve or reject this unauthorized proceeding, and her decision on the subject concerned no one not interested in the trust estate. She elected to approve it after she learned of the occurrence, and by doing this adopted the new investment and waived the breach of trust. But her waiver on that occasion did not bind her to observe the same line of conduct in case of further violation of duty. It would be absurd to suppose because she ratified this transaction she intended to assent to future breaches of trust. Indeed, it is quite clear from the evidence that she acquiesced in the arrangement because her relatives who had charge of the estate advised it. In the nature of the case, she could not have had that sort of information on such a subject on which to base a correct judgment, and, therefore, necessarily relied for the security of her rights on the counsel of older and more experienced persons in whom she placed confidence. It is due to the trustee to say that the change of investment was a family arrangement, in order to obtain a greater income, and that the stock selected for this purpose was one of the best of its kind that the market afforded.

Although it is wrong in any case for trustees, under a will, in making investments, to depart from the rule prescribed by the testator, yet if it is done, and acquiesced in by the party in interest; and there is no interference by the court having charge of the trust, the right of action to the *cestui que trust* for an illegal disposition of the property thus substituted is not affected by reason of this departure. It is still an estate held in trust for the beneficiary under the will, and to be protected equally with an investment made strictly in accordance with the terms of the will. It follows, then, that the relation of those having dealings with the trustee, based on shares of stock held in this way, is not changed by reason that the original purchase was not in accordance with the directions of the testator.

This brings us to a consideration of the particular transactions on which the claim for relief in these cases is founded. The dealings of JAUDON with the CITY BANK, based on the stock in qnestion, commenced in 1865 and extended through a period of two years.

The dealing with DUNCAN, SHERMAN & Co. was confined to a single transaction.

The evidence leaves no room for doubt that each and all of the loans were to JAUDON in his personal character and for his individual use, and that the money obtained was applied to discharge liabilities incurred in the purchase, or carrying, of Broad Top coal stock, a speculative stock of no established reputation, in which he was at the time dealing on his own account.

It is true, when he borrowed the money he had no expectation of resorting to the trust funds to repay it, but his good intention in this respect furnishes no excuse for his conduct. It was wrong for him, under any state of circumstance, to pledge the stock in order to obtain money for his personal wants. He held a fiduciary relation to it, and yet used it as if it were his own, and bargained for the consequences which followed, although the necessity for the ultimate sale of it was not anticipated by him at the time he pledged it. If the law allowed the property of the *cestui que trust* to be treated in this manner there would be little encouragement to vest an estate in trustees for the benefit of others.

It is argued that the several transactions of JAUDON with the bank and DUNCAN, SHERMAN & Co., were really, on his part, for the purpose of reinvesting the trust funds. How can this be, when he had not a thought, at the time he got the money, of failure to pay it? His speculations, then, were on his own account, and, like all sanguine men who deal in stocks, he had full faith that the venture in which he was engaged would prove remunerative. The idea of reinvestment was an afterthought, occurring at the time he found himself unable to pay, and obliged, as he supposed, to part with the property of his *cestui que trust*. And even then it did not assume the shape of a settled purpose, but only an intention to offer the injured party Broad Top security, in which he was operating, for the canal stock, which he was about to appropriate to his own necessities. It is natural that a trustee who makes use of trust property to pay his own

debts, without a deliberate design to defraud, should intend, at some future time, to put the party wronged by him in as good a position as before; but can such an intention be treated as a purpose to reinvest the trust funds in the securities in which the trustee is privately speculating? If it can, personal property in the hands of trustees, be the declaration of trust ever so specific, is in a very unsafe condition. The stock was not sold because it was desirable to change the investment, but for the simple reason that it had been pledged, and it was pledged for the sole object of enabling JAUDON to obtain money to advance his personal ends. If, therefore, there had been occasion for making a reinvestment, and authority to do it, the transactions in question had no reference to any such object.

But why change the investment, when the canal stock, one of the most stable of its kind in the country, was paying on the average a semi-annual dividend of 5 per cent. If it were allowable under the will to invest in the stock of private corporations at all, few more desirable than this were accessible. Experience had shown that it was safe and yielded a large income, and no prudent trustee having once invested in it, and had his conduct approved, looking alone to the interest of his *cestui que trust,* would take the hazard of selling it and purchasing another. But there was no authority to sell it, even were it desirable to do so, or to deal with it so that a sale might become necessary. If JAUDON thought so there was no foundation for his belief, and he is compelled to admit, although his whole testimony is an effort to justify his conduct, that he never had any conversation with his *cestui que trust* on the subject of changing this stock.

It was treated by all concerned, during the long course of years in which it was held in trust, as a most desirable investment, and no thought of substituting other securities for it was ever entertained by any one, until the idea occurred to JAUDON as a means of escape from the embarrassment in which he was placed by the unlawful use he made of it. The *cestui que trust* not only never gave consent to pledge or sell it, but had no reason to suppose that the trustee would attempt anything of the kind; nor has she said or done anything, fairly interpreted, which tends even to relieve the trustee from the legal responsibility which pertains to the administration of the trust estate.

It follows, then, that the use of the stocks by JAUDON in his transactions with the bank and DUNCAN, SHERMAN & Co. was, on his part, a flagrant breach of trust, without either justification or excuse. If so, are they blameless? They cannot be, if they had actual or constructive notice that the trustee was abusing his trust and applying the proceeds of the loans to his own use. As we have seen, the loans were for no purpose connected with the trust, but for JAUDON'S own benefit, and the face of the papers given as collateral security for the debts thus incurred informed the parties dealing with him that he held the stock as trustee for Mrs. MARY T. B. JAUDON, and inquiry would have revealed the fact, that the use to which the stock was put was unauthorized.

The duty of making such inquiry was imposed on these parties, for it is out of the common course of business to take corporate stock held in trust, as security for the trustee's own debt. The party taking such stock on pledge deals with it at his peril, for there is no presumption of a right to sell it, as there is in the case of an executor. In the former case the property is held for custody, in the latter for administration.

It matters not whether the stock is pledged for an antecedent debt of the trustee or for money lent him at the time. It is unlawful to use it for either purpose.

In LOWRY *v.* COMMERCIAL AND FARMERS' BANK OF MARYLAND,* which was a case of misappropriation of corporate stock by an executor, Chief-Justice TANEY held "that if a party dealing with an executor has, at the time, reasonable ground for believing that he intends to misapply the money, or is, in the very transaction, applying it to his own private use, the party so dealing is responsible to the persons injured." And the Supreme Court of MASSACHUSETTS, in a recent case,† in its essential features like the case at bar, decides that if a certificate of stock, expressed in the name of "A. B. Trustee," is by him pledged to secure his own debt, the pledgee is, by the terms of the certificate, put on inquiry as to the character and limitations of the trust, and, if he accepts the pledge without inquiry, does so at his peril. In that case the *cestui que trust* was not named in the certificate, and the court remarked that, if it were so, the duty of inquiry would hardly be controverted.

If these propositions are sound, and we entertain no doubt on the point, the liability of the appellants for the conversion of the stock belonging to Mrs. JAUDON cannot be an open question. They either knew, or ought to have known, that JAUDON was operating on his own account, and are chargeable with constructive notice of everything which, upon inquiry, they could have ascertained from the *cestui que trust.*

If this inquiry had been pursued they could not have failed to discover the nature and foundation of the trust, and that the trustee had no right to pledge the stock for any purpose. The bank, in its dealings with JAUDON, was guilty of gross negligence, and, in consequence of this, inflicted serious injury upon an innocent person. It may be, that the cashier never inquired of JAUDON what he wanted with the money, but nine successive loans to him in one year, each time on the pledge of the same trust security, was evidence enough to satisfy any reasonable man that the money was wanted for private uses, and not for any honest purpose connected with the administration of the trust.

DUNCAN, SHERMAN & CO., although intending no wrong, cannot escape their share of responsibility. DUNCAN lent the money to JAUDON to oblige him, and, in the very nature of the transaction, he did it for JAUDON'S private accommodation. On making the

* Taney's Circuit Court Decisions, 310.

† Shaw *v.* Spencer and others, 100 Massachusetts, 389.

application JAUDON told him he had securities to offer, naming them, and naturally he supposed they were JAUDON'S own property. It is his misfortune that he turned them over to his cashier, with directions to accommodate JAUDON, without having personally examined them. If he had made this examination, we are persuaded the *cestui que trust* would have had no occasion to be dissatisfied with his conduct.

It is needless to argue that DUNCAN is bound by the notice communicated to the cashier when he received the certificate and concluded the business with JAUDON.

Without pursuing the subject further, we are satisfied that the decrees below should be AFFIRMED.

NOTES OF CASES QUOTED OR REFERRED TO IN THE CASE OF JAUDON *v.* DUNCAN, SHERMAN & CO., BEFORE THE SUPREME COURT OF THE UNITED STATES. DECEMBER TERM, 1872.

I.—Ashton *v.* Atlantic Bank. II.—Albert *v.* Savings Bank of Baltimore. III.—Atkinson *v.* Atkinson. IV.—Dodson *v.* Simpson. V.—Field *v.* Schieffelin. VI.—Garrard *v.* Pittsburgh and Connellsville R. R. VII.—Lowry *v.* Commercial and Farmers' Bank of Baltimore. VIII.—McLeod *v.* Drummond. IX.—Miles *v.* Durnford. X.—Penn Life Insurance Co. *v.* Austin. XI.—Petrie *v.* Clark. XII.—Russell *v.* Plaice. XIII.—Shaw *v.* Spence. XIV.—Tillinghast *v.* Champlin,

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I.—ASHTON *v.* ATLANTIC BANK. *Allen's Massachusetts Reports, Vol. III, Page* 217.

A bill in equity to compel the delivery to a trustee of trust property pledged by his deceased predecessor as security for money lent to him for his private use, must allege that the lender knew that the money was lent for such private use, and that the property which was pledged was trust property. In such bill it is not necessary to join as defendants the *cestuis que trusts*, or the widow or legal or personal representatives of the former trustee, or the sureties on his bond.

If a trustee, appointed under a will, with power to sell real estate and invest the proceeds according to his discretion, and to use such portion of the trust property as might be needful for the purpose of finishing a dwelling-house which was in process of construction when the will was made, has sold a portion of the real estate, and taken a note therefor, payable to himself as trustee under the will, and afterwards has borrowed money for his own use, and pledged the note as security therefor, to one who had no knowledge of any facts relating to the trust, except what appeared upon the face of the note, the form of the note alone, under the circumstances, does not afford a sufficient presumption of knowledge that the pledge was made in violation of the duty of the trustee to authorize his successor to maintain a bill in equity to compel its delivery to him.

II.—ALBERT *v.* SAVINGS BANK OF BALTIMORE. *Maryland Chancery Reports, Vol. I, Page* 407.

A bona fide purchaser of stock in a bank or other corporation, standing in the name of trustees, without notice of the trust, will be protected, whether the trustees have the legal authority to make the transfer or not.

If there be no fraud, or collusion, the bank, and not the transferer must abide the loss, if a loss be sustained by any act of the proper officer of the bank in the transfer of its stock, arising either from a misconception of his duty or a want of judgment. The mere addition of the word "trustee" to the name of the person who appears on the books of a corporation as the stockholder, with nothing to indicate the character of the trust, or the party beneficially interested, will not deprive him of the legal capacity to transfer the stock, though by so doing he may commit a breach of trust.

A corporation may avail itself of its want of authority to make the contract sought to be enforced against it, though it has received, and enjoyed the consideration upon which it was made.

But, where a contract of a corporation has been executed by the parties to it, it is not competent for a mere stranger to the contract to assail it, and deprive the corporation of the advantage derived from it, upon the ground, that it was interdicted by the charter.

Where the entry on the transfer book of a bank displayed the origin, nature and character of the trust, and who were the beneficiaries, it was *Held*—that the bank had notice of the trusts with which the stock was clothed, and would be responsible, if it permitted a transfer to be made by other persons than the trustees, who alone were authorized to make it. In such case, if the trustees themselves should offer to transfer under circumstances calculated to excite suspicion that they were about to abuse their trust, the bank would be bound to institute the necessary inquiry; and if it omitted to do so, and loss resulted, the loss would be thrown upon it. Where a party transfers stock as "executor" the bank must know that there is a will, of which in MARYLAND, it is bound to take notice.

But, where the entry upon the books of a corporation only showed that the stock stood in the names of certain persons, as trustees, without showing who were the *cestuis que trusts*, or what the nature of the trust was, it was *Held*—that this entry standing by itself, was not sufficient to put the corporation upon the inquiry, and to make it responsible, on the ground of negligence.

III.—ATKINSON *v.* ATKINSON. *Allen's Massachusetts Reports, Vol. VIII, page* 15.

An assignment of shares in a corporation need not to be under seal.

If a guardian who holds shares in a corporation, which were issued to him in his official capacity, improperly assigns them to secure a

private creditor, who takes them with a knowledge of the facts, the guardian's successor in office may maintain a bill in equity to obtain a transfer thereof to himself. But if he assigns other shares, which belongs to his ward, but which were issued to him without expressing his official capacity, to one who takes them for value, without notice, his successor cannot maintain a bill in equity to obtain a transfer thereof to himself.

The allowance by a judge of probate of a guardian's account, in which the guardian charged himself with the appraised value, of certain shares in a corporation, belonging to his ward, and the recovery of judgment upon his bond for the amount of moneys remaining in his hands at the time of his ceasing to be guardian, are no bar to a bill in equity by his successor to obtain a transfer of the shares, if their value was not included in the judgment; although in a specification of particulars of the plaintiff's demand in the action in which the judgment was recovered, the balance found due by the probate account was claimed as cash in his hands.

IV.—Dodson *v.* Simpson. *Randolph's Virginia Reports, Vol. II, Page* 294.

An executor who sells or pledges the assets of his testator's estate, for his own use, when he is not in advance to the estate, commits a fraud; and the purchaser or mortgagee, with notice of such improper conduct, at the time of the purchase, will be decreed to make restitution.

But, if the purchaser or mortgagee has not notice of the fraud at at the time of the purchase, &c., he will be protected as a purchaser without notice.

V.—Field *v.* Schieffelin. *Johnson's New York Chancery Reports, Vol. VII, Page* 150.

A guardian, having the legal power to sell or dispose of the personal estate of his ward, in any manner he may think most conducive to the purposes of his trust; a purchaser, who deals fairly, has a right to presume that he acts for the benefit of his ward, and is not bound to inquire into the state of the trust; nor is he responsible for the faithful application of the money, unless he knew, or had sufficient information at the time, that the guardian contemplated a breach of trust, and intended to misapply the money; or was in fact, by the very transaction, applying it to his own private purpose.

VI.—Garrard *v.* Pittsburgh and Connellsville R. R. Co.
Pittsburgh Reports, Vol. I, Page 378.

Where coupon bonds, issued under the provisions of an act of assembly, by a municipal corporation, for stock in a railroad company, to enable them to build their road, are in possession of the president, and the fact that he is the president of the company is shown by the bonds themselves, his possession is *prima facie* evidence that they belong to the company, and constructive notice of their title to one about to take them as collateral security for a private debt owed by the president. The fact, that time for the payment of such debt is given in consideration of the transfer of such bonds as collateral security, is immaterial, where the creditor has constructive notice of the company's title. The giving of time cannot divest or impair the title of the company.

VII.—Lowry *v.* Commercial & Farmers' Bank of Baltimore.
Taney's Circuit Court Reports, Vol. I, Page 310.

Bank stock was bequeathed to the testator's executors, and the survivor of them, to pay the dividends to one for life, with remainder over; and the executors were, by a decree in chancery, directed to hold the same in trust to pay the dividends to the devisee for life, and after her death, to divide the stock between those in remainder. The testator died rich; and several years after his death, and after all his debts were paid, one of the executors pledged the stock, which was still standing in the testator's name, to another bank to secure his individual debt; the debt being afterwards paid, the stock was transferred to T. J. & Co., one of the executors being the sole member of that firm, and was by him retransferred into the names of himself and his co-executor, as executors. Afterwards he, signing his name as acting executor, again pledged the stock to the said bank, to secure other debts of the firm of T. J. & Co.; and a note, for which said stock was held in pledge, not being paid, in consequence of the failure, and entire insolvency of the firm of T. J. & Co., the stock was sold, and the proceeds applied to its payment, leaving a balance in the hands of the bank. The last dividend on the stock, before it was sold, was received and retained by the bank; but the other dividends, which accrued whilst the stock was in pledge, were received by the said executor; those first received were paid over by him to the legatee for life, but the others were not. On a bill filed by the legatee for life, who was an alien residing in Ireland, to recover the dividends due to her, *held*, That as the bank, to whom the stock was pledged, paid a valuable consideration for it, and had no notice, actual or constructive, of any violation of trust, upon which the transfer could be impeached in equity, it had a right to sell the stock for the payment of the note for which it was pledged, and to make the purchasers a valid title.

That purchasers of stock are not bound to look beyond the certificate, or to examine the books of the corporation, to ascertain the validity of the transfer.

But the corporation whose stock is transferred, is made the custodian of the shares, and is clothed with power to protect the rights of every one from unauthorized transfers. It is a trust placed in its hands for the protection of individual interests, and like every other trustee, it is bound to execute the trust, with proper diligence and care; and is responsible for any injury sustained by its negligence, or misconduct. As the corporation appoints the officers before whom the transfers of stock must be made, it is responsible for their acts, and must answer for their negligence or default, whenever the rights of a third person are concerned. By the law of ENGLAND, and it would seem, of MARYLAND also, before the act of 1843, ch. 304, (which does not apply to this case) an executor may sell or raise money on the property of the deceased, in the regular execution of his duty, and the party dealing with him is not bound to inquire into his object, nor liable for his misapplication of the money. But if a party dealing with an executor has, at the time, reasonable ground for believing that he intends to misapply the money, or is, in the very transaction, applying it to his own private use, the party so dealing is responsible to the persons injured. In this case, the rights of stockholders and persons interested in its stock were placed by law under the guardianship and protection of the bank, so far as concerned the transfer on their books.

If these officers, at the time of the transfer, had reason to believe that the executor, by the act of transfer, was converting this stock to his own use, in violation of his duty, then the bank, by permitting the transfer knowingly, enabled the executor to commit a breach of his trust, and upon principles of justice and equity, is as fully liable as if it had shared in the profits of the transaction. The transfer having been made by one of the executors, his character of executor, of itself, was notice that there was a will open to inspection upon the public records; the bank, therefore, when the transfer was proposed to be made, was bound to take notice of the will, and is chargeable to the same extent as if it had actually read it.

This stock, although specifically bequeathed, was liable to be sold to pay the testator's debts; and if the bank did not know, or had no reasonable ground for supposing that the executor was misapplying the assets, it would not be responsible, notwithstanding its implied knowledge of the will. The bank is equally chargeable for the neglect or omission of duty of the officer to whom it had committed the superintendence of the transfers of stock, as for the neglect or omission of its president; and such officer is also equally chargeable with implied notice of the will, and equally bound to refuse the transfer, when he saw that the executor was using this stock in violation of his trust as executor. In the case of ALLENDER *v.* RISTON, the opinion of the court would seem to have been that, notwithstanding the act of 1798, sec. 3, an assignment by the executor, for his own

debt, would be valid against the creditors of the estate, unless there were collusion with the executor; but the case was not decided on that point, nor does the opinion of the court apply to an assignment of property specifically bequeathed.

The proposition of one of two executors (the other executor not uniting in the transfer) to transfer this stock, so long after the death of a wealthy testator, without first obtaining an order from the court to justify him, must have satisfied any man of common experience in business, that he was grossly abusing his trust.

A bank or other corporation is bound by the same obligations, moral and legal (when the rights of third parties are concerned), that apply to the case of an individual, unless explicitly exempted by law; and if an individual who confederates with an executor and assists him in defrauding his *cestui que trust* is liable to the party injured, there can be no reason why a bank, which knowingly enables an executor to convert the property of the *cestui que trust* to his own private use, should not be equally responsible. Under the act of 1798, sec. 3, an order of the Orphans' Court, for the sale of the stock, would protect the bank from all responsibility. Another bank being induced, relying on the certificate of stock, to loan its money upon it, without knowledge that the stock had ever belonged to the testator, or been transferred by his executor, the stock cannot be followed in its hands, or in the hands of those to whom it afterwards sold it, and be charged with the trusts created by the will. The complainant's claim being merely for dividends on the stock, and not for the stock itself, and this court's jurisdiction over the case being based on the alienage of the complainant, it cannot do what the facts would otherwise warrant, and decree in favor of those of the defendants, who are entitled to the stock after the complainant's death; although the court would be authorized to do so, if the complainant's interests required it.

VIII.—McLeod *v.* Drummond. *Vesey's English Chancery Reports, Vol. XIV, Page* 352.

Pledge by executors of bonds to the testator sustained upon advances of money from time to time, for several years; the bill being filed, not by specific legatees, but by coexecutors who had not previously acted.

IX.—Miles *v.* Durnford. *Simons' English Chancery Reports, N. S., Vol. II, Page* 234.

Where loans are made to an executor upon his personal security without any security, or contract for a security upon the assets being made at the time, and afterwards a security on the assets is given, the court will not assume that the loan was for the purposes of the administration of the estate, but will direct an inquiry whether it was so applied.

A, the surviving executor of B, filed a bill to set aside a mortgage of the assets, made by C, the deceased executor of B. A was also the representative of C. *Held*, that A could not sever his character of representative of the original testator, in which he had title to sue, from that of representative of C, in which he could not sue, to set aside his testator's deed; and on this ground the bill was dismissed.

X.—Penn Life Insurance Co. *v.* Austin. *Pennsylvania State Reports, Vol. XLII, Page* 257.

1. Where one purchased from a trustee, for a fair price, certain lots belonging to the trust, which the trustee had power to sell under the deed, and without knowledge of any intended diversion of the sum paid from the purposes of the trust, he is not guilty of fraud in so doing, nor will he be liable to make good to the trust estate the amount afterwards paid by it to repossess the lots, which meanwhile had passed into other hands.

2. The husband of the *cestui que trust*, acting as the attorney in fact to manage the trust for the trustee, his father, failing to effect a a mortgage upon the lots, sold them to one who agreed to re-convey to him on his repaying the purchase money; the trustee received the money and conveyed the title to the purchaser, which title the husband, upon repayment, received in his own name; the lots were then mortgaged, sold under the mortgages, and afterwards bought back by the trust estate; after the death of father and son, a bill in equity was filed by the widow and the trustee succeeding to the trust, against the purchaser, to recover the amount paid, alleging a confederacy between him, the trustee, and the husband, to defraud the estate of the lots, and claiming that the deed to him was, in fact, a mortgage. *Held*—

(1.) That the amount advanced to the trustee for the conveyance being nearly or quite the full value of the lots, the purchaser could not be charged with a corrupt combination to obtain it, whether the conveyance was a mortgage or not.

(2.) But that as there was no agreement by the purchaser to re-convey to the grantor, the trustee, when the consideration money should be repaid, the deed was not conditional as between them, and was therefore not a mortgage.

XI.—Petrie *v.* Clark. *Sergeant & Rawle's Reports, Vol. II, Page* 377.

Of the right of creditors and legatees to follow assets which have been collusively parted with by an order of an executor, of the remedy in such cases, and of the power of an executor over the assets.

Of an executor pledging the assets of his testator as a security for an antecedent debt of his own, to one who is ignorant of the misappropriation of the property.

A promissory note was indorsed in blank to executors for goods purchased of them, which were part of the assets in their hands. One of the executors, without the knowledge of the other, being indebted to the plaintiff on his own promissory note of nearly the same amount, after his own note became due made an arrangement with the plaintiff, by which his own note was taken up by a new note, and the note, which had been received by the executor for the goods of the testator, was handed over, with the blank indorsement of the payee, as a collateral security for the payment of this debt; the plaintiff being entirely ignorant of the circumstances under which the latter note came into the hands of the executor.

Held, that the plaintiff, not being a holder for a valuable consideration, was not entitled to recover the amount of the note. But it seems, that if he could show that time was given in consideration of obtaining the note in question as a security for a debt, and in consequence, the debt was lost, it would be otherwise.

XII.—Russell *v.* Plaice. *Beavan's English Chancery Reports, Vol. XVIII, Page* 21.

An executor or administrator may not only pledge or mortgage the assets, but may also give to the mortgagee of leaseholds a power of sale and to give valid receipts for the purchase money.

XIII.—Shaw *v.* Spencer. *Massachusetts Reports, Vol. C, Page* 382.

A certificate of stock, expressed on its face to be "transferable only on the books of the company by the holder thereof in person, or by a conveyance in writing, recorded on said books, and surrender of this certificate;" and transferred in blank upon its back, is not a negotiable instrument. One holding stock as trustee has *prima facie* no right to pledge it to secure his own debt growing out of a transaction independent of the trust.

If a certificate of stock in the name of "A. B.," trustee, is by him pledged to secure his own debt, the pledgee is, by the terms of the certificate, put on inquiry as to the character and limitations of the trust, and, if he accepts the pledge without inquiry, does so at his peril.

If a certificate of stock in a corporation, expressed in the name of "A. B.," trustee, is by him fraudulently pledged for his own debt, and accepted without inquiry; and the pledgee, after receiving notice of the fraud, and a demand of the parties beneficially interested under the trust that the stock shall be held subject to their direction, voluntarily pays an assessment due on the stock, to one of them, as treasurer of the corporation, in the presence of the other; such payment does not estop them from maintaining their claim to the stock.

XIV.—TILLINGHAST *v.* CHAMPLIN. *Rhode Island Reports, Vol. IV, Page* 173.

The receiver of a dissolved copartnership, appointed by a decretal order in equity, is an officer of the court appointing him, invested with the whole equitable title to the partnership property without an assignment, and in any suit concerning such property represents the interests in such property of all parties to the suit in which he was appointed, if not of all persons not parties to such suit.

Such receiver may, to enable him to perform his trust, *suo motu*, and without special leave from the court appointing him, bring suits to possess himself of the partnership property, incurring no risks except as to costs: the property, when in his hands, being in *custodia legis*, and subject to administration by order of the court.

The administrator of a deceased copartner, upon whose bill a receiver of the copartnership property has been appointed, thereby surrenders to the receiver all his dominion over the copartnership property, at least so far as the purposes of the suit are concerned; and in any proceeding in equity thereafter instituted by the receiver, with regard to such property, to enable him to perform his trust, he represents, not only the interests and equities of the creditors of the copartnership in the property, but also those of the deceased copartner. Hence, a bill instituted by such receiver, to possess himself of the partnership property and have the same applied to the payment of the partnership debts, neither the representative of the deceased copartner nor the creditors of the firm are necessary parties. The rule that the creditors of a firm have no equitable lien on the copartnership property, but can only work out such a lien through the equities of the copartners, applicable whilst the copartners are administrating their own funds, has no application to the case of a copartnership dissolved by the death of one of the copartners, especially if the surviving partner be insolvent, or where, though living, one or both the copartners have become insolvent or bankrupt so that their property is in the hands of assignees for distribution. In such cases an equitable lien attaches, in favor of the copartnership creditors upon the joint property, and in favor of the separate creditors of each copartner, upon his separate property, in the hands of the surviving partner, as a trustee for each class of creditors by implication, or in the hands of assignees, as trustees, by virtue of an express trust, which will be administered in equity against such trustees, upon the direct application of the creditors.

Where the bill places the relief which it asks upon the ground of actual fraud or covin in the respondent, and the proof fails to support it upon that ground, the bill must be dismissed with costs, although upon the facts as proved, the court might have relieved upon some other ground than fraud, had the bill placed the relief upon such other ground.

The reasons for this rule considered and discussed, and the cases

of MOUNT VERNON BANK *v.* STONE, 2 *Rhode Island Reports*, 129, and of MASTERSON *v.* FINNEGAN, *ib.*, 316, criticised and reconciled under it.

The rule applies only when actual or moral, as distinguished from constructive, frand, is charged, and does not apply when such fraud is substantially charged as the ground of relief, whether the word "fraudulent" be used or not. A bill, filed by a receiver of a partnership, in behalf of a numerous body of creditors, dismissed under the above rule, will be dismissed without prejudice; and where drawn under the advice of counsel, without fault on the part of the receiver, the costs will be allowed to him out of any funds which have come or may come to his hands as such receiver.

Real estate purchased with the copartnership funds, or by the copartnership credit, for the nses of the firm, will be treated in equity as copartnership property, as between the copartners, and be held applicable to the payment of copartnership debts; and from such purchase and use will be presumed to be intended by the copartners to be held and treated by them as copartnership property, notwithstanding the deed is taken to them as tenants in common, and without describing them as copartners. When, however, the deed is so taken, according to the weight of authority in the country, such property will, after the payment of the copartnership debts and the adjustment of the balance between the copartners, be regarded in equity as the joint undivided real property of the copartners, according to their several interests in the firm, and, as such, pass to their heirs instead of to their personal representatives. A *bona fide* purchaser or mortgagee for value of the real property of a partnership, the legal title to which is vested in the copartners, or in some one of them, for the firm, without notice of the equitable rights of others in it as a part of the copartnership funds, will, upon the ground of his own equities, as such purchaser, be protected in his title, in equity as well as at law. And such purchaser from a surviving partner of the whole, or even of an undivided portion, of such property, and obtaining from such partner a conveyance of the legal title thereto, would not take it subject to the same trust as in the hands of his grantor, merely because he knew it to be copartnership property, and that there were copartnership debts still outstanding; if the purchase were made by him openly, and with the apparent consent of all concerned, and under circumstances fairly indicating to him that no breach of trust, by the application of the purchase money to his individual uses, was intended by the vendor, but that the property was sold by him in the execution of his trust, for the payment of the copartnership debts.

But where a purchase of the undivided half of a planing mill, &c., was made for value, of a surviving partner of a firm of housewrights, by one who knew that the mill was built up with the copartnership funds, and credit for, and had always been applied solely to, the copartnership uses—that the dissolved firm was greatly indebted, if not insolvent, and that none of its debts had been paid by the surviving partner—and the conveyance was taken, and the purchase money

paid secretly, and on the very night on which the vendor absconded with it; the purchaser was *held* to be affected by the circumstances with constructive notice of the breach of trust intended, at the time of the purchase, to be committed by the absconding partner, and to hold the legal title thus acquired by him subject to the trust of his vendor; although the proof was not sufficient against his answer, to convict him of an actual participation in the corrupt design of his vendor, and he swore in his answer, that from the fact that the co-partners held the estate by their deed as tenants in common merely, he supposed that the undivided half of it which he purchased was the individual property of his grantor.

STOCK EXCHANGE CLEARANCES.

The London System Advocated—Two Settlements a Month for Transactions on Account.

The Governing Committee of the Stock Exchange have been discussing, since the reopening of the Exchange, measures for the clearance of their stock transactions. They have, therefore, devised a system of buying and selling clearances somewhat similar to that employed on the London Stock Exchange. The new arrangement permits transactions "for account," which may be settled twice a month. The method is embodied in the following proposed article to be added to the present regulations of the Stock Exchange, if the members concur.

In addition to present methods of buying and selling stocks, members may buy and sell "for account." Transactions "for account" may be settled twice a month, on such days and in such ways as shall be prescribed by the Governing Committee. Whenever the regular settling day occurs on Sunday, or any legal holiday, it shall be deferred to the next regular business day.

1. Each new account shall commence three business days prior to the coming settling day. Interest on accounts running three days or over, shall accrue to the seller at the rate of six per cent. per annum, to be calculated by days, according to bank usage. Mutual deposits, if called for by either buyer or seller, shall be made according to provisions of Article 25 of by-laws.

2. In case of default on the part of any seller "for account" to satisfy his contract with purchaser by 2 o'clock of settling day, the purchaser shall proceed to have the stock bought in according to provisions of Article 25 of by-laws; it being conditioned, however, that the officer of the board shall close the contract at a difference of 10 per cent. from sale price, without interest calculation, unless he can buy at or within that limit.

3. In case of default on the part of any buyer "for account" to satisfy his contract with seller by 2 o'clock of settling day, the seller shall proceed to have the stock sold out according to Article 25 of by-laws; it being conditioned, however, that the officer of the board shall close the contract at a difference of 10 per cent. from purchase price, without interest calculation, unless he can sell at or within that limit.

Note 1. The object of having the new account commence three days prior to closing of old account is to furnish sufficient time, at periods of great speculative activity, for renewal contracts, exchange tickets, or offsets prior to final settlings.

Note 2. The object of the limitation clause is, to prevent sudden and unnatural fluctuations, technically called "corners" or "panics," the effects of which are disastrous to the general business of the Stock Exchange, and, in ultimate results, generally as disastrous to those organizing them as to their victims.

THOMAS DENNY, Jr., in calling the attention of the members of the Stock Exchange to this method, writes:

The present method of speculating in stocks on a cash basis, relying upon call loans as the means of carrying them, and the free certification of checks by a few of the banks as the means of exchanges, has been found defective at periods of unusual excitement. and the sad results of the last few weeks make it manifest that the Stock Exchange must adopt some new plan for speculative dealings. The adoption of the plan of buying and selling "for account," modeled in part on the English system, applicable solely to the speculative portion of our operations, and not interfering with existing modes of doing business, will be, in the writer's opinion, of great advantage to us. The settlement during three days of the previous fifteen days' transactions in any stock—especially if the final settlements are made through a clearing house—will largely diminish the risk from forged certificates, certification of checks, and transportation of securities from place to place. Settlements for account instead of for cash will be of great advantage, too, in cases of sudden and unexpected development of any causes that give shock to the business community, and produce panic, by giving time to dealers to arrange and provide for their contracts. In regard to the limitation of loss on dealings "for account" to a fixed sum for a fixed period, it is very evident that, in times of speculative excitement it would largely increase business, and the greater the number of transactions the better chance of profit is there to the members of the Exchange, either as operators or commission brokers. The expensive experience obtained by many large operators during the last few years by means of "corners," or from panics brought on by large fires or unexpected failures, have driven them almost entirely out of the market. If limitation would be simply precautionary, except under extraordinary circumstances, such as the North-Western corner, or Chicago or Boston fires, it should be adopted as a guard upon our speculative transactions.

INTEREST ON BANK DEPOSITS.

From the Toronto Monetary Times.

Some time ago in Toronto, passers-by on the principal street might see in the office of a broker and banker attractive cards, on which were printed offers to pay interest on deposits at the rate of seven per cent. Not a few were beguiled by the offer, and lodged sums of money to bear interest at that rate. Nothing could be pleasanter, for the rate was nearly as much as any investment would yield, while all the trouble of investing was saved. Besides the money could be had when wanted. But one fine day, depositors found the establishment closed, and though they waited long and patiently, it never opened again, and the money which they lodged, the fruit in many cases of long toil and severe self-denial, was lost beyond redemption. They then awoke to the folly they had been guilty of, in risking the principal for the sake of a small extra per centage of interest. They might have got within two or three per cent. of what they were promised at any of the chartered banks of the city, but beguiled by the offer of a high rate, they forgot the question of security altogether.

Since the time we speak of there have been many changes in banking, and many new banks have commenced business. There has therefore been much competition, and one form of this competition has been the offering of higher rates of interest for deposits. There is obviously a limit within which this can be done safely, and we propose to consider the question what that limit is.

The rate which a banker can safely offer, evidently depends on the rate at which he can safely lend. He carries on his business for profit; he cannot, therefore, borrow and lend at the same rate. Besides this a banker must keep a reserve of money on hand—he cannot, therefore, lend the whole of what is deposited with him. This reserve has long been understood to range from twenty to twenty-five per cent. of the deposit, so that if $1,000 is deposited, all that the banker can safely lend is $750 to $800. We now have the elements of a calculation. The rate of interest for bank loans, in ordinary times, is seven per cent. It is sometimes above this, when there is a great pressure for money, but seven is the ordinary rate for first-class transactions. A banker, therefore, who has $1,000 deposited, will lend, say, $800 at seven per cent. and realize $56 out of it. From this, however, must be deducted the expense of carrying on his business, which will certainly not be less than one per cent. on the whole deposit. This reduces the return to $46. Then there is the risk of bad debts, for it is impossible for money to be lent even on the best security that a banker takes, without a certain amount of loss. Take this at the small minimum ½ of one per cent., or $4 on $800. This will make the return $42, which is the utmost

return a banker can realize out of $1,000 deposited, provided he lends on first-class paper. What then can he allow to make a profit? If he allow four per cent. he will have to pay the depositor $40, and make a profit of $2 only on a thousand deposited.

This is a plain statement of facts, and a depositor from this can reason out for himself as to what is safe and what is not. There are times, of course, when a bank can lend at more than seven per cent., and there are certain classes of transactions on which a bank, if it choose to take them, can make more than seven at any time. Banks at certain times, may from exceptional causes be able to make a profit on allowing even five per cent—on getting fair notice—and may do it safely. As a rule about three per cent. below what a bank can lend at, is what can be afforded on fixed deposits, at notice. When, therefore, a bank offers higher interest than its neighbors, depositors may depend on it that such a bank means to lend at a higher rate of discount than its neighbors. But this can only be done by taking risky customers and risky transactions, for good merchants will not pay more than the ordinary current rate, whatever that may be. If, for example, when the ordinary rate for money on deposit is three to five, according to notice required, a bank offers from five to seven, depositors may rest assured that their money is not lent as safely as in the other case. There can be no possible doubt about this. We cannot have both high interest and undoubted security. When they are drawing their six or their seven per cent., while depositors in other banks get only four or five, let them never forget that there is a risk about the principal. For money cannot be lent at high rates of interest except with a large average of losses. And, let depositors bear in mind, it is their money which the banker lends, and it is their money he loses. It is true he has his capital to fall back on, but depositors would find it a very unpleasant thing, as others have done before them, to have to wait while his assets were realized in case of misfortune happening.

This practice of allowing high rates of interest has another aspect. Banks, like individuals, sometimes want money badly, and are willing, like individuals, to pay very high rates for it. Let depositors bear this in mind, when tempted by offers above what is customary. The bank may be very hard up, and willing to pay any price, so long as they get money to tide over present necessities. No matter whether they gain or lose by it, they offer high rates because money they must have. If simple-minded depositors walk in they are sure to be warmly welcomed.

The above remarks apply almost wholly to what may be called fixed deposits, or such as are subject to notice. As to balances of current accounts, it is questionable if it is a good practice to allow interest on them at all. At any rate, if interest is allowed, it should be on the minimum balance of each month, for that is the only amount which has really been in the banker's power to lend. But the general principle of safety or otherwise, for the depositor, is the same here as in the other case, and the rule should be to avoid those who offer high rates of interest, for fear of endangering the principal.

AMERICAN RAILROAD LOANS IN EUROPE.

We learn from London that the new ten million six-per-cent. gold-bearing loan of the Philadelphia and Reading Railroad Company, put on the market by McCalmont Brothers, London, on the 22d of October, was a complete success. By this it appears that during the first three days, more than enough applications were received to exhaust the entire issue. This is especially satisfactory to the Reading, and will be esteemed good news by all borrowing companies of good credit, as it shows that the foreign money markets are not closed to all American enterprises, but that capitalists there, as here, discriminate between the good and bad borrowers. This ten millions mortgage loan of the Reading runs for twenty-four years, is in dollar or sterling bonds, interest payable semi-annually in gold, and is protected by a cumulative sinking fund of two per cent. per annum, by yearly drawings in London. That so large a loan should be taken so promptly would at any time be most gratifying, but that at such a time as this, in the face of failures here in which foreign capitalists are supposed to have suffered heavily, such a success as has attended the Reading's new loan is especially flattering.

Mr. J. H. Broekman, Jr., of the firm of Elix & Broekman, bankers, Amsterdam, has written a letter to the *Railroad Gazette*, enclosing a translation of his letter to the *Amsterdamsche Algemeen Handelsblad.* The letter to the *Gazette* contains the following:

You will see that the Dutch are heavily interested in American railroads—much more than any country of Europe, and in proportion to its population probably as heavily as America itself, for with a population of only 3,500,000 people, they have nearly one hundred and sixty millions of dollars of different shares and bonds, besides large amounts of United States bonds, State bonds and other American securities. The total amount of the latter cannot be definitely fixed, but certainly sums up to more than a hundred millions of dollars.

Fortunately they hold comparatively few bonds of those weak companies which are now in default of interest, except one (the St. Paul & Pacific), and that they are interested in that undertaking for more than $20,500,000 is due to the obstinacy with which its soundness was advocated by the men interested in the sale of those bonds, though my firm and many others had no confidence in a road of that location, which could not be worked profitably with a seven-per-cent. gold mortgage debt of $40,000 per mile, for many years to come, and were always warning against them.

Per book post I send you circular of the bonds with the issue of

which our firm has been charged in our place; besides those, we were also charged with the partial sale, and recommended the North Missouri seven-per-cent. first mortgage, and Cleveland, Mount Vernon & Delaware first mortgage bonds, and never had anything to do, nor recommended as good securities, the bonds of any company now in default, such as Rockford, Rock Island & St. Louis, Oregon & California, Florida Railroad, Port Huron & Lake Michigan, or Alabama & Chattanooga, the total amout of which held in our country I calculate not to exceed $5,000,000 face value.

The average price paid for them probably does not exceed 65 per cent. The average price paid for St. Paul & Pacific bonds is also about 65 per cent. If we calculate that these bonds are worth one-half the cost price, the loss will be somewhat over $8,000,000, or about five per cent. of the total of American railroad bonds and shares (face value) held in our country. I also send you some other papers, and am willing to give you any information you may want on the subject of American securities held in HOLLAND.

The following is from Mr. BROEKMAN'S letter to the *Handelsblad:*

Your expression that American railroad intrigues have caused such heavy losses here and abroad, as found in the beginning of that article, at least with regard to our market and in proportion to the amount invested in our country in public funds and securities, is very excessive. The total amount of all American railroad securities (stocks and bonds) exclusive of State bonds or American companies other than railroad companies, held in HOLLAND, may be calculated at about a hundred and sixty millions of dollars ($160,000,000), face value. Of this amount, interest payment has been suspended on about $14,000,000; and $11,500,000 more, it is certain, will be in default very soon. On the other hand, payment has been resumed on about $8,000,000, while some of those companies now in default are by no means in a hopeless situation.

The annual interest thus due, but not paid, is limited to $1,000,000 (2,450,000 guilders, Dutch currency), a sum large indeed, but not extraordinary, if we consider the Dutch holders of Spanish bonds suffer a loss of at least $12,000,000 (30,000,000 guilders) in annual interest by the non-payment of the Spanish coupons; and the reduction of rent of the Austrian debt (held as tax), according to the official figures of conversion, causes a yearly returning loss to our investors of $1,430,000 (3,500,000 guilders, Dutch currency). Moreover the Dutch are not interested for a large sum in any American railroad company now in default save one, of which they hold some $20,000,000 of bonds, and the soundness and safety of that company has been insisted upon so warmly by *our own countrymen,* that a so-called "friend of truth and right" even found no hesitation in calling its adversaries, one of whom I was, in the *Nederlandsche Financier,* of December 3, 1872, "contrivers of falsehood, deceivers, unconscionable men," etc.

It is far from my intention to protect American railroad directors who are guilty of dishonesty and perfidy; on the contrary, the more

actions of such kind are known the better usually the knowledge of the fault contributes to their cure. But the trouble is, that the extreme confidence of former years has turned to extreme distrust to-day; and if formerly they had been more careful, they now would have much less reason for complaint.

As to the watering of the stock by false dealings, this also is represented in an exaggerated manner, as such waterings have only occurred in a few instances on a large scale. Much can be said in censure of such watering, but something can be said in its defense also. It is also true that many companies, chiefly in their earliest days, distributed scrip dividends instead of cash; but in the large majority of such cases the stockholders' money was actually spent in improving and enlarging the property, the road and equipment. Oftentimes, also, much less has been declared than actually was earned, and of late the declaring of such scrip dividends is decidedly decreasing.

It is not possible to deny that much evil can be pointed out in American railroading; but it is hardly possible that it could be otherwise, if we take in view its unprecedentedly rapid growth and development. The very pressing demand for railroads, indeed, enabled the companies to obtain the most liberal charters and privileges; now they make use of their rights, and have grown, possessing now powers equal, or very nearly equal, to the power of the State legislatures. This must be, and should be turned in another manner, not by stupid and extravagant usurpation of the grangers, but certainly by the practical sense of the American people, who also know how to appreciate the blessings which the railroads have introduced, promoted, and still sustain.

INTEREST LAW OF INDIANA.

Chapter LX.—An Act regulating interest on judgments.

[Approved February 5, 1873.]

Section 1. *Be it enacted by the General Assembly of the State of Indiana,* That all judgments on contract, hereafter rendered, shall bear the same rate of interest expressed in the contract upon which such judgment is rendered. The court rendering such judgment shall specify therein the rate of interest which the same shall bear; *Provided,* that when no rate of interest is expressed in such contract, or a greater rate is expressed than ten per cent. per annum, such judgment shall bear interest at the rate of six per cent. per annum; *Provided,* that the provisions of this act shall not apply to contracts heretofore made.

Sec. 2. Whereas, an emergency exists for the immediate taking effect of this act, therefore the same shall be in force from and after its passage.

LIABILITIES OF FORTY-EIGHT NATIONAL BANKS

IN THE CITY OF NEW YORK,

From the Official Reports, October, 1873, with the date of Original Charter of each.

Commenced.	Name.	Capital.	Net Profits.	Circulation.	Due Banks.	Deposits.	Dividends.	Total Liabilities.	Dividends Payable.
1839.	Nat. B'k of Commerce.	$ 10,000,000	$ 3,453,400	$ 3,140,400	$ 2,299,100	$ 5,498,900	$ 19,200	$ 24,411,000	Jan. & July.
1838.	American Exch. N B.	5,000,000	1,454,300	947,600	2,048,600	3,815,300	12,500	13,278,300	May & Nov.
1864.	Fourth National Bank.	5,000,000	1,357,000	2,907,300	11,748,500	5,781,000	11,800	26,805,600	Jan. & July.
1851.	Metropolitan Nat. B'k.	4,000,000	2,207,800	1,199,900	2,090,200	4,526,100	9,800	14,033,800	Do.
1864.	Central National Bank.	3,000,000	113,000	1,441,000	4,839,200	2,854,000	9,000	12,256,200	Do.
1803.	Merchants' Nat. Bank.	3,000,000	998,600	859,400	1,536,000	4,242,700	7,600	10,644,300	Do.
1784.	B'k of New York N.B.A.	3,000,000	1,161,900	835,400	3,005,800	8,017,200	10,100	16,030,400	Do.
1856.	National Park Bank...	2,000,000	1,425,700	897,000	14,085,400	6,884,300	4,200	25,296,600	Do.
1851.	Nat, B'k of Republic..	2,000,000	424,100	862,100	1,702,300	2,223,700	15,200	7,227,400	Feb. & Aug.
1809.	Mechanics' Nat. Bank.	2,000,000	989,500	532,900	913,000	2,673,400	7,000	7,115,800	Jan. & July.
1836.	Nat. B'k State of N. Y.	2,000,000	594,500	541,400	618,400	2,554,500	9,500	6,318,300	May & Nov.
1853.	Continental Nat. Bank.	2,000,000	66,700	585,100	601,100	594,100	5,900	3,852,900	Jan. & July.
1813.	Phenix National Bank.	1,800,000	265,800	508,000	568,800	2,166,100	6,000	5,314,700	Do.
1855.	Imp. & Traders' N. B..	1,500,000	1,469,300	494,800	10,117,000	3,717,400	3,400	17,301,900	Do.
1811.	Union National Bank.	1,500,000	893,400	493,600	635,200	2,554,600	2,800	6,079,600	May & Nov.
1831.	Gallatin National Bank	1,500,000	733,500	483,400	283,300	1,283,400	1,000	4,284,600	Apl. & Oct.
1864.	Ninth National Bank..	1,500,000	236,000	611,300	4,906,600	2,884,700	1,700	10,149,300	Jan. & July.
1831.	Merchants' Exch. N. B.	1,235,000	129,700	448,000	1,114,000	1,587,300	3,800	4,517,800	Do.
1852.	Nat. Shoe & Leather B.	1,000,000	700,700	776,900	1,197,000	1,401,400	6,200	5,082,200	Do.
1863.	Third National Bank..	1,000,000	315,800	782,900	5,511,400	813,400	—	8,423,500	Do.
1864.	Tenth National Bank..	1,000,000	140,800	893,400	24,400	396,700	1,900	2,457,200	Do.
1849.	National Broadway B'k	1,000,000	1,932,400	896,000	273,900	2,711,100	1,900	6,815,300	Do.
1823.	Tradesmen's Nat. Bank	1,000,000	534,000	751,500	290,500	1,562,600	3,800	4,142,400	Do.
1852.	St. Nicholas Nat. Bank	1,000,000	190,600	736,800	61,900	974,800	6,800	2,970,900	Feb. & Aug.
1852.	Market National Bank.	1,000,000	491,400	343,200	242,500	1,839,300	4,900	3,921,300	Jan. & July.

1851.	Hanover National B'k.	1,000,000	214,000	297,300	1,328,000	1,385,900	1,400	4,226,600	Jan. & July.
1812.	National City Bank...	1,000,000	1,377,200	——	287,000	4,075,400	1,100	6,740,700	May & Nov.
1850.	Mercantile National B,	1,000,000	362,500	478,700	2,565,200	1,298,700	2,700	5,707,800	Do.
1831.	N.Butchers & Drovers'	800,000	308,700	252,900	247,000	1,631,600	4,000	3,244,200	Jan. & July.
1853.	N. B. Commonwealth.	750,000	——	——	*Failed,*	Sept. 20, '73.			
1832.	Leather Manuf. Nat. B.	600,000	694,400	262,100	637,400	2,046,800	1,200	4,241,900	Jan. & July.
1830.	Mechanics & Traders'.	600,000	380,800	210,900	162,000	1,075,600	900	2,430,200	May & Nov.
1824.	Fulton National Bank.	600,000	572,600	8,700	12,800	1,241,200	2,500	2,437,800	Do.
1851.	N. Y. Nat. Exchange B.	500,000	37,400	266,300	276,300	664,500	700	1,745,200	Jan. & July.
1833.	Seventh Ward Nat. B.	500,000	50,200	169,700	2,000	914,000	500	1,636,400	Do.
1838.	N Mechanics'Bkg Ass.	500,000	166,500	316,000	70,700	1,309,000	2,900	2,365,100	May & Nov.
1863.	First National Bank...	500,000	489,400	317,300	4,333,600	1,231,500	200	6,872,000	Jan. & July.
1851.	Irving National Bank.	500,000	154,500	174,100	358,600	2,198,400	1,100	3,386,700	Do.
1851.	Chatham National B'k	450,000	234,100	128,400	457,200	2,023,000	1,700	3,294,400	Do.
1853.	Marine National Bank	400,000	328,000	360,000	327,600	1,729,300	1,400	3,146,300	Do.
1851.	National Citizens'Bank	400,000	265,100	137,800	72,200	1,362,900	1,600	2,239,600	Do.
1852.	East River National B.	350,000	179,300	219,900	——	713,500	1,600	1,464,300	Do.
1863.	Second National Bank	300,000	303,600	259,500	3,200	1,282,200	300	2,148,800	Do.
1853.	Atlantic National Bank	——	——	——	*Failed,*	April 26, '73.			
1824.	Chemical National B'k	300,000	2,992,500	11,700	345,500	5,026,900	12,000	8,688,600	Quarterly.
1865.	Bowery National Bank	250,000	245,700	215,900	——	1,029,400	——	1,741,000	Jan. & July.
1864.	Sixth National Bank..	200,000	71,900	192,000	——	708,100	200	1,172,200	Do.
1855.	N. Y. Co. National B'k	200,000	313,900	186,100	——	845,000	800	1,545,800	Do.
1664.	Fifth National Bank...	150,000	104,900	103,600	44,700	564,900	700	968,800	Do.
1864.	National Currency B'k	100,000	22,800	90,000	160,800	101,500	——	475,100	June & Dec.
	Totals, October, 1873..	$ 71,285,000	$ 32,149,900	$ 27,628,200	$ 82,405,900	$ 108,017,300	$ 205,500	$ 320,641,800	
	" October 3, 1872	71,285,000	30,741,900	28,260,400	65,724,600	108,541,200	261,400	304,814,500	
	" June 10, 1872..	71,783,500	30,560,900	28,475,700	87,508,400	129,875,900	164,100	348,368,500	
	" Feb. 27, 1872..	71,785,000	28,204,300	29,115,300	80,400,300	119,675,700	208,800	329,389,400	
	" Feb. 27, 1871..	71,785,000	29,012,200	29,585,700	74,237,600	125,752,300	159,900	330,532,700	
	" June 9, 1870...	73,032,200	27,614,900	33,758,200	82,283,300	124,265,400	1,256,900	342,210,900	

RESOURCES OF FORTY-EIGHT NATIONAL BANKS

IN THE CITY OF NEW YORK,

From the Official Quarterly Reports, October, 1873.

	Name.	Loans and Discounts.	Stocks, Bonds, and Mortgages.	Real Estate.	Due from Banks.	Cash Items and Bank Notes.	Specie.	Legal Tenders.	Over-Drafts.
1.	National Bank of Commerce	$ 14,297,100	$ 5,359,000	$ 500,000	$ 453,500	$ 367,300	$ 755,400	$ 2,678,700	—
2.	American Exchange Nat. Bank	8,360,800	2,098,000	315,000	550,000	185,900	777,000	988,400	$ 3,200
3.	Fourth National Bank	17,926,400	3,582,600	635,000	326,100	177,800	1,647,700	2,482,900	27,100
4.	Metropolitan National Bank	9,439,700	1,476,200	320,000	1,651,000	276,000	409,500	459,700	1,700
5.	Central National Bank	7,224,400	2,222,600	—	599,300	240,600	103,100	1,837,600	28,600
6.	Merchants' National Bank	6,540,600	1,707,800	206,000	285,000	269,200	741,800	893,800	100
7.	Bank of N. Y. N. B. Association	11,115,100	1,000,000	250,000	325,400	427,800	1,709,400	1,202,300	400
8.	National Park Bank	14,737,800	1,583,600	1,063,600	3,311,700	141,000	1,218,700	3,234,000	6,200
9.	National Bank of Republic	3,941,900	1,126,700	307,700	726,900	101,100	693,500	326,700	2,900
10.	Mechanics' National Bank	5,026,000	729,400	175,000	333,200	34,400	200,300	612,400	5,100
11.	Nat. Bank State of New York	4,207,200	850,400	183,100	205,900	61,600	245,800	559,300	5,000
12.	Continental National Bank	1,828,000	856,500	700,000	62,800	41,000	44,700	319,000	900
13.	Phenix National Bank	3,275,300	733,400	289,000	414,900	96,000	432,600	72,900	600
14.	Importers & Traders' Nat. Bank	13,172,200	566,000	200,000	677,700	155,900	437,700	2,091,600	800
15.	Union National Bank	4,175,200	666,500	150,000	101,400	11,200	170,100	805,200	—
16.	Gallatin National Bank	2,935,500	789,800	90,000	56,300	300	287,900	124,800	—
17.	Ninth National Bank	6,421,300	727,900	500,000	1,160,900	2,700	549,300	770,600	7,600
18.	Merchants' Exch. Nat. Bank	2,769,100	610,000	243,700	368,200	70,000	61,600	393,500	1,700
19.	Nat. Shoe and Leather Bank	2,530,900	1,035,500	175,000	412,200	179,300	251,100	490,000	8,200
20.	Third National Bank	5,543,900	890,000	—	292,400	31,300	93,000	1,569,400	3,500
21.	Tenth National Bank	594,800	1,290,200	—	64,200	15,100	87,200	108,800	296,900
22.	National Broadway Bank	3,663,300	1,218,100	175,000	383,700	156,900	49,300	1,168,800	200
23.	Tradesmen's National Bank	1,931,600	1,099,400	201,400	239,800	52,200	105,800	512,200	—
24.	St. Nicholas National Bank	1,321,700	1,050,000	110,000	101,900	14,400	62,500	301,000	9,400
25.	**Market National Bank**	2,458,600	475,000	100,000	269,800	74,800	191,600	344,700	6,800

26. **Hanover National Bank**	3,017,000	355,000	—	350,800	36,000	245,400	216,200	6,200
27. National City Bank	4,754,100	339,000	200,000	425,100	99,900	499,700	422,400	500
28. Mercantile National Bank	3,772,700	550,000	100,000	185,700	81,100	151,600	859,700	7,000
29. Nat. Butchers & Drovers' Bank	1,831,100	723,400	84,300	88,600	34,600	32,300	449,800	100
Nat. Bank Commonwealth	—	—	*Failed,*	Sept. 20,'73.				
30. Leather Manuf. National Bank	2,420,500	457,500	245,600	198,400	91,100	314,100	514,700	—
31. Mechanics and Traders' N. Bank	1,408,100	440,400	44,100	66,100	53,000	17,500	396,200	4,800
32. Fulton National Bank	1,656,500	200,000	45,000	102,000	45,600	173,600	215,000	100
33. N. Y. National Exchange Bank	912,600	343,000	94,000	114,700	57,500	16,600	206,800	—
34. Seventh Ward National Bank	942,400	251,100	61,000	49,600	45,600	83,400	203,200	100
35. Nat Mechanics' Banking Asso'n	1,478,300	365,000	24,500	23,000	7,500	164,300	302,500	—
36. First National Bank	3,517,800	1,377,400	—	774,700	56,600	564,100	551,100	30,300
37. Irving National Bank	2,140,400	287,900	100,000	318,200	27,700	48,400	463,600	500
38. Chatham National Bank	2,007,500	166,000	79,900	398,000	73,200	155,900	413,700	200
39. Marine National Bank	1,705,400	487,000	200,000	242,500	50,600	199,300	261,500	—
40. National Citizens' Bank	1,405,700	212,200	—	185,600	35,500	28,200	372,100	300
41. East River National Bank	794,300	270,100	102,100	45,300	35,600	3,100	213,300	500
42. Second National Bank	1,022,800	514,000	—	63,200	79,900	—	464,000	4,900
Atlantic National Bank	—	—	*Failed,*	April 26,'73.				
43. Chemical National Bank	5,847,600	886,800	142,800	503,300	101,300	436,900	769,100	800
44. Bowery National Bank	952,000	309,200	6,000	72,200	62,900	4,900	333,600	200
45. Sixth National Bank	603,500	259,600	—	60,400	24,400	—	223,700	600
46. N. Y. County National Bank	878,400	265,300	2,400	92,200	37,200	—	270,300	—
47. Fifth National Bank	581,700	136,200	—	42,800	25,200	109,600	72,900	400
48. National Currency Bank	85,600	232,400	—	41,100	23,900	18,800	73,300	—
***Totals*, October, 1873**	**$199,174,400**	**$43,173,100**	**$8,421,200**	**$17,817,700**	**$4,369,700**	**$14,594,300**	**$32,617,000**	**$474,400**
" October, 1872	**183,285,800**	**44,929,500**	**7,984,500**	**16,448,700**	**6,351,600**	**6,376,000**	**39,213,100**	**225,300**
" June 10, 1872	**198,582,300**	**49,703,200**	**7,948,900**	**16,398,300**	**5,467,800**	**19,412,800**	**50,736,600**	**118,600**
" February 27, 1872	**192,865,100**	**50,854,800**	**7,931,700**	**15,798,500**	**4,304,000**	**16,948,400**	**40,548,100**	**138,800**
" December 16, 1871	**187,133,800**	**50,225,700**	**7,650,800**	**19,478,500**	**3,986 900**	**23,065,200**	**38,873,700**	**118,100**
" June, 1871	**192,095,300**	**57,086,500**	**7,916,600**	**16,514,500**	**7,853,600**	**15,091,400**	**65,597,900**	**139,500**

LIABILITIES OF TWENTY-SEVEN STATE BANKS OF THE CITY OF NEW YORK.

28th October, 1873, as shown by their Official Quarterly Statements, with date of Charter of each.

Commenced.	Name.	Capital.	Net Profits.	Circulation.	Due Banks.	Due Depositors.	Dividends.	Totals.	Dividends Payable.
1812.	Bank of America	$3,000,000	$2,022,200	$1,200	$1,227,100	$4,517,800	$97,700	$10,866,000	Jan. & July.
1799.	Manhattan Company	2,050,000	1,131,800	9,700	316,000	3,870,900	—	7,378,400	Feb. & Aug.
1870.	German-American Bank.	2,000,000	75,500	—	1,161,700	3,507,600	6,200	6,751,000	Do.
1851.	Bank of North America.	1,000,000	188,900	—	825,300	2,381,100	1,900	4,397,200	Jan. & July.
1852.	Nassau Bank	1,000,000	127,400	3,900	107,200	1,603,800	1,000	2,843,300	May & Nov.
1853.	Corn Exchange Bank	1,000,000	581,000	5,000	98,400	1,573,500	2,600	3,260,500	Feb. & Aug.
1870.	Dry Goods Bank	1,000,000	29,600	—	294,200	1,583,600	1,200	2,908,600	Jan. & July.
1859.	Manuf. & Merchants' B.	500,000	67,600	—	88,000	764,900	300	1,420,800	Do.
1869.	Security Bank	500,000	—	—	41,800	762,900	—	1,299,400	Do.
1866.	Gold Exchange Bank	500,000	82,300	—	—	—	—	582,300	Do.
1871.	Bank of Metropolis	500,000	48,600	—	242,700	908,300	—	1,699,600	Do.
1850.	Pacific Bank	422,700	369,000	—	—	1,786,200	2,200	2,580,100	May & Nov.
1851.	People's Bank	412,500	228,500	5,600	44,700	1,308,100	800	2,000,200	Jan. & July.
1821.	North River Bank	400,000	43,500	—	300	1,123,000	300	1,567,100	Do.
1853.	Oriental Bank	300,000	332,000	4,100	—	1,046,100	1,000	1,683,200	Do.
1851.	Grocers' Bank	300,000	90,600	—	5,300	641,000	500	1,037,400	Do.
1830.	Greenwich Bank	200,000	219,400	2,700	9,100	830,300	200	1,261,700	May & Nov.
1854.	Bull's Head Bank	300,000	1,100	6,000	—	781,900	1,300	1,090,300	Jan. & July.
1869	West Side Bank	200,000	34,600	—	—	1,064,100	600	1,299,300	Do.
1867.	Eleventh Ward Bank	200,000	15,600	—	—	584,300	500	800,400	Do.
1869.	Germania Bank	200,000	78,200	—	—	985,800	800	1,264,800	Do.
1870.	Murray Hill Bank	200,000	23,300	—	—	554,700	500	778,500	Do.
1872.	Produce Bank	200,000	10,100	—	—	492,500	—	702,600	May & Nov.
1870.	Ninth Ward Bank	186,400	—	—	—	215,700	—	402,100	Do.
1869.	Mutual Bank	106,200	—	—	Closed.	—	—	—	—
1869.	Manuf. & Builder's Bk.	400,000	40,500	—	—	1,163,000	—	1,603,500	Jan. & July.
1869.	Harlem Bank	100,000	19,900	—	24,700	298,600	2,500	445,700	Do.
1871.	German Exch. Bank	200,000	23,700	—	78,300	690,500	—	992,500	Do.
	Totals, 27 State Banks	$17,271,600	$5,864,900	$38,200	$4,564,800	$35,040,200	$122,100	$62,916,500	
	" 48 *National Bks.*	70,235,000	32,149,900	27,628,200	82,405,900	108,017,300	205,500	320,641,800	
	" 75 *Banks*	$87,506,600	$38,034,800	$27,666,400	$86,970,700	$143,057,500	$327,600	$383,558,300	

RESOURCES OF TWENTY-SEVEN STATE BANKS OF THE CITY OF NEW YORK,

As shown by their official quarterly statements, October 28, 1873.

Name.	Loans & Discounts.	Stocks, Bonds, & Mortgages.	Real Estate.	Due from Banks.	Cash Items & Bank Notes.	Specie.	Legal Tenders.	Over-Drafts.
1. Bank of America	$ 7,193,100	$ 670,000	$ 150,000	$ 373,100	——	$ 1,460,600	$ 1,019,100	$ 100
2. Manhattan Company	6,039,200	25,000	304,800	316,500	——	490,300	202,500	100
3. German-American Bank	5,547,600	5,000	——	383,100	——	456,000	355,800	1,500
4. Bank of North America	3,661,900	67,600	130,000	140,900	——	229,400	167,400	——
5. Nassau Bank	2,155,100	4,000	220,000	183,400	——	54,700	226,100	——
6. Corn Exchange Bank	2,494,800	256,400	107,900	130,600	——	79,700	191,100	——
7. Dry Goods Bank	2,298,700	5,600	15,300	240,500	31,900	52,100	263,800	700
8. Manufacturers & Merchants' B'k	964,600	150,000	14,300	76,900	——	1,900	210,600	2,500
9. Security Bank	955,000	5,000	——	152,100	1,100	——	183,900	2,300
10. Gold Exchange Bank	466,800	30,700	——	84,800	——	——	——	——
11. Bank of the Metropolis	1,543,800	5,000	20,000	130,200	——	——	——	600
12. Pacific Bank	2,059,000	5,000	100,000	107,300	——	10,500	298,300	——
13. People's Bank	1,471,200	112,000	65,200	136,700	——	6,500	208,600	——
14. North River Bank	1,077,100	15,300	99,600	239,400	——	22,700	106,400	6,600
15. Oriental Bank	1,428,700	15,000	60,700	29,900	——	6,000	142,800	100
16. Grocers' Bank	754,300	5,000	25,000	50,800	——	4,200	198,100	——
17. Greenwich Bank	980,800	34,900	16,000	185,600	——	——	44,400	——
18. Bull's Head Bank	816,200	31,700	120,000	75,000	——	——	46,600	800
19. West Side Bank	935,600	85,800	6,000	175,100	——	——	96,400	400
20. Eleventh Ward Bank	612,200	14,000	56,900	29,800	25,500	——	61,800	200
21. Germania Bank	929,300	8,500	10,000	162,100	21,000	4,600	127,900	1,400
22. Murray Hill Bank	521,200	38,700	——	158,600	9,200	——	50,600	200
23. Produce Bank	570,900	5,400	7,300	54,800	——	——	64,200	——
24. Ninth Ward Bank	314,400	5,700	5,100	56,700	——	600	17,700	1,900
Mutual Bank	——	Closed.						
25. Manufacturers & Builders' Bank	1,257,500	56,200	8,400	122,700	——	——	158,700	——
26. Harlem Bank	380,700	5,000	——	18,800	——	——	40,600	600
27. German Exchange Bank	787,200	5,000	24,300	108,200	400	2,100	64,900	400
Totals, 27 State Banks	$ 48,216,900	$ 1,667,500	$ 1,566,800	$ 3,923,600	$ 89,100	$ 2,883,900	$ 4,548,300	$ 20,400
" 48 National Banks	199,174,400	43,173,100	8,421,200	17,817,700	4,369,700	14,594,300	32,617,000	474,400
" 75 Banks	$ 247,391,300	$ 44,840,600	$ 9,988,000	$ 21,741,300	$ 4,458,800	$ 17,478,200	$ 37,165,300	$ 494,800

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 388, November No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of October, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

OCT.		1873.		1872.		1871.		1870.		1869.		1868.	
1	Wednesday	10⅝	**11¼**	14	14⅝	**Sun.**		13¾	14	30	30⅛	39½	40⅛
2	Thursday..	10⅛	10⅞	13⅞	14⅝	14⅝	14⅞	**Sun.**		30	30⅛	39¾	40⅛
3	Friday	9¾	10⅝	14⅛	**15⅛**	14	14¾	13⅛	13⅞	**Sun.**		39⅝	**40⅛**
4	Saturday ..	9⅞	10¼	14⅝	15	13⅝	14	13	13⅝	29	30	**Sun.**	
5	**Sunday.**	**Sun.**		13⅞	14¾	13¾	14¾	13	13¼	28⅞	30¾	39⅞	40⅝
6	Monday ...	9¾	10¼	**Sun.**		14¼	14⅞	12⅞	13	29⅞	30⅝	39¾	40¼
7	Tuesday...	10⅛	10⅝	12⅝	13¼	14¾	**15**	13	13¼	31⅛	**32**	39⅞	40¼
8	Wednesday	9⅝	10¼	12¾	13⅝	**Sun.**		13⅛	13½	30⅝	31⅝	38⅞	39⅛
9	Thursday..	9	9⅝	**12¼**	13⅛	14⅛	14¾	**Sun.**		30⅛	30⅞	38¾	39⅛
10	Friday	8⅝	9	12⅝	13	13¾	14⅛	13⅛	13⅜	**Sun.**		38⅛	38⅞
11	Saturday ..	8⅛	8½	12⅝	13⅛	14	14⅛	13¼	13⅛	30¼	30⅞	**Sun.**	
12	**Sunday.**	**Sun.**		12¾	12⅞	14	14¾	13¼	13⅜	30⅛	30⅝	37⅝	38¼
13	Monday...	8⅛	8⅝	**Sun.**		14⅛	14⅝	13⅝	**14¼**	30⅛	30¼	37½	38
14	Tuesday ..	8⅝	9⅝	12½	12⅞	14⅛	14⅛	13¼	13⅜	30	30⅛	36¾	37⅞
15	Wednesday	8¼	9⅛	12⅝	12⅞	**Sun.**		13	13⅝	30	30⅛	37⅝	38⅛
16	Thursday .	**7⅝**	8½	12⅞	13⅛	13¼	14	**Sun.**		30	30⅛	37¼	37¾
17	Friday	7¾	8¼	12⅞	13⅛	13⅛	13⅛	13	13¼	**Sun.**		36½	37⅝
18	Saturday ..	8¼	8½	12⅝	13⅛	13⅛	13⅝	12½	13⅛	30	30⅜	**Sun.**	
19	**Sunday.**	**Sun.**		12¾	13⅝	12½	13	12¾	12⅞	30	30⅛	36⅝	37¼
20	Monday ...	8	8⅝	**Sun.**		12	12⅝	12⅞	13¼	30	30⅛	36⅞	37⅝
21	Tuesday ..	8¼	8¾	12¾	13¼	12	12⅝	12¼	12⅞	30⅛	31	36⅝	36⅞
22	Wednesday	8¼	8½	12⅞	13⅛	**Sun.**		12⅝	13	30⅞	31⅜	35½	35⅞
23	Thursday..	8⅝	8⅝	12⅞	13⅝	12¼	12¾	**Sun.**		31	31⅛	35	36
24	Friday	8½	8¾	12⅞	13⅛	11¾	12¼	11⅞	12¼	**Sun.**		34⅝	35
25	Saturday ..	8⅝	8¾	13	13¼	**11½**	11⅞	11¼	11⅞	30⅞	30¼	**Sun.**	
26	**Sunday.**	**Sun.**		13⅛	13¼	11⅝	12⅛	11¾	12⅛	30⅛	30¼	33¾	34⅝
27	Monday...	8⅛	8⅝	**Sun.**		11¾	12	11⅞	12⅛	30	30⅛	34⅛	34⅞
28	Tuesday ...	8⅛	8⅝	12⅞	13⅛	11¾	12⅛	11¼	11⅝	28¾	29½	33⅞	34⅝
29	Wednesday	8¼	8¾	12¾	13	**Sun.**		11⅝	11⅝	**28⅛**	28⅞	34¼	34⅝
30	Thursday ..	8¼	8⅝	12⅝	12¾	11⅜	11⅞	**Sun.**		28⅝	29¼	34	34½
31	Friday.....	8⅛	8½	12¼	12⅝	11⅝	12¼	**11⅛**	11¼	**Sun.**		**33¾**	34

MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

DATE.	1868.		1869.		1870.		1871.		1872.		1873.	
January ..	33¼	42¼	34⅝	36⅞	19⅝	23¼	10½	11¼	8½	10⅛	11⅝	14¼
February .	39⅝	44	30⅞	36⅛	15	21¼	10¾	12¼	9½	11	12⅞	15⅛
March	37⅞	41⅜	30¼	32½	10¼	16	10⅛	11⅝	9¾	10½	14⅝	18½
April	37¾	40⅜	31⅜	34¾	11½	15⅝	10⅛	11¾	9⅞	13¼	16¾	19⅛
May......	39⅛	40½	34⅝	44¾	13¾	15½	11	12¼	12⅛	14⅜	16⅝	18⅜
June	39⅜	41¼	37	39⅝	10⅞	14¾	11¾	13⅛	13	14¾	15	18¼
July	40⅛	45¼	34	37⅞	11⅛	22¾	11¾	13⅝	13½	15¼	15	16¾
August ...	43½	50	31¼	36⅜	14¾	22	11⅝	13¼	12⅛	15⅝	14⅜	16¼
September.	41⅛	45¼	33⅛	62½	12¾	16¾	12¾	15⅝	12¾	15⅛	10⅞	16⅛
October...	33¾	40⅜	28⅛	31¾	11⅛	14¼	11½	15	12¼	15⅛	7⅝	11¼
November.	32⅛	37	21⅛	28⅜	10	13¼	10⅝	12⅝	13⅜	14¼	—	—
December.	34½	36¾	19	24	10½	11⅜	8⅜	10⅝	11½	13¼	—	—

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. DUE DILIGENCE IN FORWARDING DRAFTS. II. INDIRECT TRANSMISSION OF DRAFTS. III. THE TRANSFER OF CREDITS UNDER FAILURE. IV. STOPPING PAYMENT OF CHECKS. V. CERTIFICATION OF CHECKS. VI. UNCLAIMED DEPOSITS.

I. WHAT IS DUE DILIGENCE IN FORWARDING DRAFTS?

——— NATIONAL BANK, OHIO, 1873.

To the Editors of the Banker's Magazine.

Will you inform me what the rule of law is about presenting a draft? How long may a party hold a draft without relieving the drawer from liability to pay the same, provided the same is not paid by the party on whom it is drawn?

——— Cashier.

Reply.

In order to hold the drawer of a check or sight draft it must be presented if payable in the place where received, or sent forward for payment if payable elsewhere, either the same day or the next at furthest. Otherwise, in case of failure of payment, the drawer and endorsers are released. "Due diligence" is held to mean the same day of, or the next day after receipt.

II. DRAFTS SENT TO POINTS NOT DIRECT.

———, CALIFORNIA, Oct., 1873.

To the Editors of the Banker's Magazine.

If a draft upon New York should, in the ordinary course of business, be sent to some remote point, and on reaching New York be unpaid, the payer having suspended since its issue, would the maker of the draft be released from obligation, supposing the draft to have been duly protested? If responsible, would he be directly responsible to a third party?

——— Cashier.

Reply.

I. In order to hold absolutely the drawer, the purchaser of a draft is bound to use "due diligence" in its collection. If, instead of forwarding it directly, the same day or the next, he sends the draft to some remote point, it is at his own risk. Should the drawee suspend payment after the time when it might readily have been presented, the draft remains a valid claim against him, but the drawer is released.

II. Were the drawer responsible at all it would be to the holder of the draft, whether the payee or a third party to whom transferred by endorsement.

III. The Transfer of Credits under Failure.

——— National Bank, Pa., Oct., 1873.

To the Editors of the Banker's Magazine.

Bank A deposits with me their draft upon a New York bank, which I send direct for my credit with the latter. It does not reach New York until 11 P. M., and on the following day the New York bank fails to open for business and has not since done so. They have, however, opened letters, and placed the draft to my credit, debiting the bank drawing same. I have demurred to this and in reply received back the draft, charged it to account of bank A, and returned it to them. They now return it to me, saying I must credit their account and look to the New York bank.

I contend that bank A is holden, inasmuch as the New York bank has not been opened for business since the draft was mailed from here at 3.30 P. M. on the day of its receipt.

——— Cashier.

Reply.

As the case is stated there was no possible way by which you could have obtained from the New York bank the money for the draft. Had you sent it to a third party, instead of directly, it could only have been protested and returned to you. Bank A, therefore, having given you a draft which proved to be uncollectable, is bound to make it good to you.

Their plea might possibly be first, the absence of protest and notice; second, the neglect of your agent (the New York bank) in failing to return promptly the unpaid draft. If they can show that, by either of these laches, they have suffered loss, such loss should fall upon you; but in the absence of such showing, their liability is plain.

IV. Stopping Payment of Checks.

———, Wisconsin, Oct., 1873.

To the Editors of the Banker's Magazine.

After we had issued a draft on New York and mailed same to the party to whom payable, he telegraphs us to stop its payment. Have we any right to order our New York correspondent not to pay? If we do not so order can we be holden for damages to the party to whom the draft was issued? And if the draft be properly endorsed, should we not have to pay it to an innocent holder?

Would it be best to order payment stopped or to let the draft take its regular course?

——— Bankers.

Reply.

The drawer of a check or draft has the right to countermand its payment, but it is, nevertheless, a valid claim against him in the hands of a bona fide holder. Payment should, therefore, only be stopped for unmistakably good reasons, and not at the mere request of an irresponsible party.

V. Certification of Checks.

——— Bank, St. Louis, 1873.

To the Editors of the Banker's Magazine.

Has a bank or banker not the right, in certifying a customer's check, to charge said check to the depositor's account at once, or is it obligatory on the acceptor to wait until the check is paid? Has a bank or banker the right to compel a party to be properly identified before certifying a check, said check being drawn payable to order?

——— Cashier.

Reply.

I. A check should be charged to the drawer's account at the moment of certification, and credited to "certified checks" account. If certified *after* delivery to the holder, the drawer is released from liability and there is now a new contract, viz.: between the bank and the holder.

II. Identification of holder at time of acceptance is entirely unnecessary. Some banks pursue, however, the very proper custom of certifying thus: "Good for $...... when properly endorsed," which obviates any risk.

VI. Unclaimed Deposits.

———, October, 1873.

To the Editors of the Banker's Magazine.

Would you be kind enough to inform me whether you know of any book published giving a list of unclaimed deposits in the banks of the United States, or particularly in the State of Connecticut, and the price and where it can be procured?

———

Reply.

There is no printed list to be had showing the balances of unclaimed moneys in the banks of the United States.

They studiously avoid publishing any such items, on the ground that the people have nothing to do with such information.

The savings banks also refuse this information, and properly too, because deposits are frequently made in these institutions to remain five, ten or twenty years, to accumulate for certain objects or persons.

A law of the State of New York provides that each State bank shall publish in the newspapers a list of deposits (and name of depositors) unclaimed for three or five years. This is done every year, but these lists are in scattered papers, and cannot be readily collected for the use of any enquirer. Neither the banks nor the depositors wish these details made public.

REPORT ON THE CURRENCY.

The committee appointed to report at the National Board of Trade, at the general meeting at Chicago, in September, 1873, reported as follows:

The fourth subject was the reform of the currency, presented by the Boston board. It was first referred to a special committee of eleven delegates, together with the cognate subjects—national banking and national banking law, presented by the boards of Cincinnati and Philadelphia respectively. The committee consisted of President FRALEY, *ex-officio* Chairman, WOOLLEY of Cincinnati, NOURSE of Boston, WRIGHT of Chicago, STRANAHAN of New York, BONNER of St. Louis, PRINDLE of Louisville, BROSWELL of New Orleans, GROSVENOR of Providence, SMITH of Milwaukee, and BROMBERG of Mobile. After a long conference and interchange of views, in which was developed the unanimous opinion that Congress should be asked to take action looking to a resumption of specie payments, a report was prepared and submitted, recommending Congress to provide by law for the return to specie payments on the following basis:—

First, for the redemption of greenbacks in gold coin at the Treasury in New York, on the demand of holders, on and after the first Monday in July, 1877; second, that the notes so redeemed may be reissued for making all payments by the UNITED STATES other than those for which the payment of specie is specially secured by existing laws, and that they may be exchanged for gold or silver coin if desired; third, that they shall continue to be a legal tender for the payment of all debts, public and private, the same as now; and fourth, that for the purpose of regulating the currency as furnished by these Treasury notes, and providing for its expansion or contraction when such changes are called for by the business of the country, the Secretary of the Treasury be authorized to issue in exchange for such Treasury notes, registered certificates of debt in sums not less than $500, or any multiple thereof, and not exceeding $50,000,000, bearing interest at the rate of 3.65-100; that these shall be redeemable at the will of the holders in United States Treasury notes of the denomination now in use, but new certificates may be issued in place of those redeemed, canceled and destroyed, if demanded by the holders of United States Treasury notes; and the certificates so issued shall not be used for or computed in the reserves now required by law to be held by the National banks for the payment of their circulation and deposits.

Various amendments were proposed, and these giving rise to debate, were all ordered to be printed. The delegates from the Boston board disapproved the continuing of the character of legal tenders in the Treasury notes after the resumption of specie payments by the United States Treasury, and moved amendments accordingly. In some other respects the resolutions of the committee might have been made more satisfactory to the Boston delegation, though its leading recommendation is in the right direction. The serious omissions are held to be neglect to ask of Congress such amendment of the

National bank law as should provide, first, that no part of the legally required reserves of any National bank should be kept in any other bank; second, for a bureau of redemption in the United States Treasury for all National bank notes; and third, a relief of the banks from National bank taxation to an extent commensurate with the new burthens imposed (redemption and loss of interest on reserves), yet leaving the taxation sufficient to defray the governmental expenses incident to the banking system. Not having sufficient time the subject could not receive the full consideration which its importance demands, and it was referred without action to the next meeting, to be held in Baltimore in January.

TELEGRAPHS.

The following table represents the length of telegraph lines in each country, at the date named, and the number of square miles to each line of telegraph (excepting submarine wires).

Country.	*Year.*	*Length of telegraph lines.*	*Square miles of Territory to each mile of telegraph.*
United States	1872	75,137	36
Russia	1872	31,459	330
Germany	1872	26,060	8
Great Britain and Ireland	1873	24,363	4
France	1870	23,100	9
Turkey	1870	16,125	112
Australasia	1869	13,850	114
British India	1868	13,371	72
Austria-Hungary	1872	11,665	20
Dominion of Canada	1872	10,995	38
Italy	1870	10,595	10
Sweden and Norway	1871	7,263	40
Spain	1870	7,011	25
Sweden	1871	4,258	39
Egypt	1870	3,780	188
New South Wales	1869	3,567	91
Switzerland	1873	3,430	6
Victoria	1869	3,215	27
Mexico	1870	3,150	327
Argentine Confederation	1872	3,150	391
Norway	1871	3,005	41
Belgium	1872	2,694	5
Roumania	1870	2,073	22
Portugal	1869	1,930	14
Netherlands	1872	1,869	7
Queensland	1869	1,752	388
Brazil	1871	1,500	2,580
Denmark	1870	1,225	12
South Australia	1869	1,113	682
Peru	1870	608	825
Servia	1870	499	28
Total miles of telegraph		313,812	
Submarine cables (about)			

LETTERS ON THE CURRENCY.

Letter from President Grant.

Executive Mansion, Washington; September 27, 1873.

Messrs. H. B. Claflin, and Charles L. Anthony:

Gentlemen: In response to the views you have communicated to me touching the present stringency in the money market of the country, and the necessary steps to restore confidence to legitimate trade and commerce, I have the honor to communicate the following:

The Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, which is holding back the immense resources of the country now awaiting transportation to the seaboard and a market. Confidence on the part of the people is the first thing needed to relieve this condition, and to avert the threatened destruction of business with its accompanying disasters to all classes of people. To re-establish this feeling, the Government is willing to take all legal measures at its command, but it is evident that no Government efforts will avail without the active co-operation of the banks and moneyed corporations of the country. With the fourteen millions already paid out in the purchase of Government indebtedness, and the withdrawal of their large deposits from the Treasury, the banks are now strong enough to adopt a liberal policy on their part, and by a generous system of discounts to sustain the business interests of the country. Should such a course be pursued, the forty-four millions of reserve will be considered as money in the Treasury to meet the demands of public necessity, as the circumstances of the country may require. Close attention will be given to the course pursued by those who have the means at their command of rendering all the aid necessary to restore trade to its proper channels and condition.

With a view of strengthening the hands of those who carry out the measures above indicated, orders have already been issued for the prepayment of the interest accruing in November.

U. S. Grant.

Letter from the Secretary of the Treasury.

Treasury Department, Washington, Sept. 30, 1873.

To Franklin Edson, *President of the N. Y. Produce Exchange:*

Sir: Your letter of the 29th inst., covering two resolutions of the New York Produce Exchange, has been received, and the subject matter fully considered. The resolutions are as follows:

Whereas, The critical condition of the commercial interests of the country requires immediate relief by the removal of the block in negotiating foreign exchange; therefore be it

Resolved, That we respectfully suggest to the Secretary of the Treasury the following plans for relief in this extraordinary emergency:

First, That currency be immediately issued to banks or bankers, upon satisfactory evidence that gold has been placed upon special deposit in the BANK OF ENGLAND *by their correspondents in London, to the credit of the* UNITED STATES, *to be used solely in purchasing commercial bills of exchange.*

Second, That the President of the UNITED STATES *and the Secretary of the Treasury are respectfully requested to order the immediate prepayment of the outstanding loan of the* UNITED STATES, *due January* 1, 1874.

While the Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, as has already been announced by the President, it is constrained in all its acts to keep within the letter and spirit of the laws which the officers of the Government are sworn to support, and they cannot go beyond the authority which Congress has conferred upon them. Your first resolution presents difficulties which cannot be overcome. It is not supposed that you desire to exchange coin in ENGLAND for UNITED STATES notes in New York at par. If your proposition is for the Government to purchase gold in ENGLAND, to be paid for in UNITED STATES notes, at the current market rate in New York, it would involve the Government in the business of importing and speculating in gold, since the Treasury has no use for coin beyond its ordinary receipts, and would be obliged to sell the coin so purchased at a price greater or less than was paid for it. If your object is to induce the Treasury Department to loan UNITED STATES notes to banks in New York upon the pledge and deposit in London of gold, it is asking the Secretary of the Treasury to loan the money of the UNITED STATES upon collateral security, for which there is no authority in law. If the Secretary of the Treasury can loan notes upon a pledge of coin, he can loan them upon a pledge of other property in his discretion, as he had recently been requested to do, which would be an extraordinary power as well as a most dangerous business to engage in, and one which my judgment would deter me from undertaking as the Secretary of the Treasury, even if by any stretch of construction I might not find it absolutely prohibited by law. The objections already mentioned to your first resolution are so insuperable and conclusive that it is unnecessary for me to refer to the many practical difficulties which would arise if an attempt should be made to comply with your request. Your second resolution calls for the payment at once of the loan of 1858, or the bonds commonly called "Fives of 1874." Upon a thorough investigation I am of opinion that Congress has not conferred upon the Secretary of the Treasury power to comply with your request in that particular, and in this opinion the law-officers of the Government concur. Under these circumstances you

will perceive that while I have great respect for the gentlemen composing the New York Produce Exchange, I am compelled by my views of the law and of my duty to respectfully decline to adopt the measure which your resolutions propose. I have the honor to be, very respectfully,

WILLIAM A. RICHARDSON,

Secretary of the Treasury.

NEW COINS OF THE WORLD.

The following new coins of the world will be illustrated by engravings in the BANKER'S ALMANAC for 1874, to be issued early in January next. It is proposed by the publishers of this work to continue this feature in the ALMANAC annually, as a record of history, of progress, of the arts, and as a valuable aid to the merchant and banker for future reference. In addition to this interesting feature there will be issued in the new ALMANAC, for 1874, engraved views of the mints of Osaka, JAPAN, London, Paris, and Philadelphia, also the bourse or stock exchange building of Hamburg, Lyons, Marseilles, and other cities.

RECENT COINS OF THE WORLD.

Countries.	*Name of Coin.*	*Date.*	*Weight.*	*Fineness.*	*Mint Value.*
EAST INDIA......	Mohur of 1862, Gold ..	1862 ..	180 grains ..	916.5 ..	$7.10.5
"	10 Rupees ... " ..	1870 ..	120 " ..	" ..	4.73.7
"	5 " ... " ..	1870 ..	60 " ..	" ..	2.36.8
"	1 " ...Silver..	1862 ..	180 " ..	" ..	45.7
"	½ " ... " ..	1862 ..	90 " ..	" ..	22.8
"	¼ " ... " ..	1862 ..	45 " ..	" ..	11.4
"	½ Anna .....Copper.	1862 ..	— ..	— ..	—
"	¼ " ..... " .	1862 ..	— ..	— ..	—
"	½ Pice...... " .	1862 ..	— ..	— ..	—
"	1-12 Anna .. " .	1862 ..	— .	— ..	—
CEYLON	5 Cents..... " .	1870 ..	— ..	— ..	—
"	1 " .... " .	1870 ..	— ..	— ..	—
"	½ " ..... " .	1870 ..	— ..	— ..	—
"	¼ " ..... " .	1870 ..	— ..	— ..	—
INDIA STRAITS...	1 Cent ..... " .	1862 ..	— ..	— ..	—
" ...	½ " ...... " .	1862 ..	— ..	— ..	—
" ...	¼ " ...... " .	1862 ..	— ..	— ..	—
NEWFOUNDLAND.	2 Dollars ..Gold ..	— ..	— ..	— ..	—
UNITED STATES..	5 Cents.....Copper.	1873 ..	$77\frac{16}{100}$ gr's ..	— ..	—
" ..	3 " ..... "	1873 ..	30 " ..	— ..	—
" ..	1 " ..... " .	1873 ..	48 " ..	— ..	—

RECENT WORKS ON NUMISMATICS.

I. *Numismata Cromwelliana: or the Medallic History of Oliver Cromwell; Illustrated by his Coins, Medals, and Seals. By* HENRY W. HENFREY, *F. R. Hist. Soc., &c. Author of a "Guide to English Coins."*

In this work, a complete historical description of all the coins, medals, and pattern pieces of OLIVER CROMWELL is attempted for the first time. VERTUE, SNELLING, FOLKES, and RUDING, have all left but very imperfect notes and sketches of Cromwellian numismatics, and Mr. HAWKINS never published anything on the subject; thus many vexed questions have not yet been properly discussed. The general reader will, it is hoped, be interested in the new light thrown upon the History of the Protectorate by these reliable witnesses, and may gain some idea of the beauty of those splendid specimens of seventeenth century art, hitherto unrivaled in any country, the Works of THOMAS SIMON. The collector and student of English coins will find amongst the numismatic information numerous facts, details, and elucidations which are absolutely unpublished; and the numerous autotype plates will furnish the first correct, and in some instances, the only, illustrations yet published of many pieces. The work will be completed in about six parts, and only 250 copies will be printed; early application should therefore be made to the Author, 75 Victoria Street, Westminster, London, S. W. Price, 3s. 6d. sterling per No.

II. *The American Journal of Numismatics and Bulletin of American Numismatic and Archæological Societies. Published by the Boston Numismatic Society, Quarterly. Volume VIII, No.* 2. *October*, 1873.

The editorial department of this work is under the management of Messrs. WILLIAM SUMNER APPLETON, SAMUEL ABBOTT GREEN and JEREMIAH COLBURN. The work is issued in quarterly Nos. of 24 pages quarto, with numerous engravings. Price, two dollars a year.

III. *The Canadian Antiquarian and Numismatic Journal.*

This work is issued quarterly, 12mo., 48 pages per No., with numerous engravings, edited by a committee of the Numismatic and Antiquarian Society, of Montreal. Price, $1.50 per year. R. W. MCLOCHLAN, Publisher, P. O. Box 86½, Montreal.

Resumptions.—Messrs. E. D. RANDOLPH & Co., who suspended during the panic, resumed business on the 24th November.

THE UNION TRUST Co. announces that they will resume on December 1st.

THE CLEARING-HOUSE ASSOCIATION OF NEW YORK.

The Clearing-House Association met November 20th, to consider and take action upon the report of the committee of nine, presented at their last meeting, JACOB D. VERMILYE, President of the MERCHANTS' BANK, in the chair. All the banks belonging to the Association, fifty-nine in number, were represented, except the Chemical. A motion was made by HENRY F. VAIL, representing the BANK OF COMMERCE, to lay the report on the table. This was lost by a vote of 8 to 50; only the METROPOLITAN, the ST. NICHOLAS, the CORN EXCHANGE, the IMPORTERS and TRADERS', the FOURTH NATIONAL, the FIRST NATIONAL, and the THIRD NATIONAL voting with the mover. It was then moved that the consideration of the report be postponed for 60 days. This was voted down by a vote of 18 to 40. Mr. VAIL then made a speech, protesting against the action of the Association, and withdrew from the meeting. He was soon followed by the representatives of the BANK OF THE STATE OF NEW YORK, the METROPOLITAN and the GROCERS' BANKS, and a little later by those of the BANK OF NEW YORK, the FOURTH NATIONAL, and the MERCANTILE BANKS.

Each member of the Association was called upon to express the opinion of his Board of Directors, and a nearly unanimous expression of opinion favorable to the report as a whole, subject to amendments, was obtained. The articles of association were then taken up separately for amendments, and the following changes were made:

Article 20, which originally read, "No member of the Clearing-House Association shall be allowed to make the exchange for, or redeem the checks of or upon any other bank or banks not members of said Association, nor of any corporation, association, firm, or individual," was amended so as to read: "No member of the Clearing-House Association shall be allowed to redeem the checks of any association, corporation, firm, or individual, excepting upon regularly incorporated banks, in the cities of New York, Brooklyn, Jersey City, and Hoboken, which banks shall be subject to an examination of their condition by a committee of the Clearing House whenever deemed necessary.

Section 3 of Article 23, which contains the rules of the association, to which all the banks connected with it agree to conform, was changed from "that it will not receive upon deposit as cash, from its dealers, checks drawn otherwise than upon banks which are members of this association," so as to read, "That it will not receive upon deposit as cash, from dealers, checks drawn otherwise than upon banks which are members of this association, or upon such regularly incorporated banks as heretofore provided by Article 20."

Section 4 of the same article was enlarged to include the cities of Boston, Philadelphia, Washington, and Troy, as follows: "That in receiving and crediting checks and drafts upon places out of New York City, except in Boston, Philadelphia, Washington, or Troy, it will conform to the schedule of rates established by the Clearing-House committee."

The following article, numbered 23 in the original report, was stricken out, it being argued that the necessary reserve is provided for by the National banking law: "Each member agrees to carry an average 'reserve' fund in legal-tender notes, equal in amount to at least 15 per cent. of its liabilities to the public, subject only to such modifications as the Clearing-House committee shall decide the public exigencies may require."

An amendment to Section 1 of Article 22, allowing three per cent. interest on deposits, was defeated by a nearly unanimous vote. The Association after a session of three hours adjourned to meet on Tuesday next, when it is proposed to take up the report, article by article and section by section.

VIEWS OF BANKERS.

F. D. TAPPEN, from whom the above information was obtained, said that the meeting was perfectly harmonious, and that the gentlemen who left the room, after Mr. VAIL'S departure, did so to attend to their private business, after they had become convinced that no final action would be taken on the report on that day. He was satisfied that their departure was not indicative of any lack of co-operation with the action of the Association. The radical features of the report were, he said, all retained, and the feeling against the payment of interest and the certification of checks for amounts greater than were in the bank to the credit of the dealer, was very strong. These were the keystones of the new rules. The articles of association as a whole simply bind the associated banks in a closer union than before, by codifying the rules which they make for their own guidance. He believed that the rules as amended, would pass with little or no opposition.

Mr. TAPPEN was asked his opinion of the probability of another Clearing House being organized by the dissatisfied banks; he answered that it was not probable and hardly possible. The project was not likely to be seriously entertained, nor could such an institution be maintained for any considerable time. He had heard of an anonymous meeting having been held to consider the subject, but the combination had no cohesive force.

Mr. CAMP, General Manager of the Clearing House, and several prominent bank presidents with whom a *Tribune* reporter conversed, expressed great confidence that the rules of the Association, as amended, would be adopted without much opposition.

JOHN Q. JONES, President of the CHEMICAL BANK, was asked the reason why his bank was not represented at the meeting and whether his absence was intended as a mark of disapproval of his

bank of the new rules. He said that his directors did not entirely approve of the new rules, but that he remained away from the meeting simply to let the others act as they pleased in reference to them. He did not wish to express himself publicly in regard to the rules; if he had he would have attended the meeting and spoken there, but he was decidedly in favor of the sections forbidding the payment of interest and the over-certification of checks. He thought it probable that Congress would take action in regard to the payment of interest and that the proposed change would be well received by the country at large, as great inconvenience was occasioned in other towns by the concentration of money in New York banks caused by the payment of interest here. The over-certification of checks he considered highly pernicious, though it was claimed that losses were seldom occasioned by it. He did not believe that the adoption of the new rules would cause any banks to withdraw from the Association, or cause another Clearing House to be organized, though it might lead to the establishment of a brokers' bank, which would practically be a brokers' Clearing House.

NEW YORK BANK DIVIDENDS.

With the capital and surplus profits of each, September, 1873.

Name.	*Capital.*	*Dividends.* Nov., 1872.	May, 1873.	Nov., 1873.	*Undivided Profits.* Sept., 1873.
American Exchange Nat Bank.	$5,000,000	4	4	4	$1,454,300
National Bank State of N. Y....	2,000,000	4	4	4	594,500
Union National Bank..........	1,500,000	5	6	5	893,400
National City Bank............	1,000,000	10	10	10	1,377,200
Gallatin National Bank.........	1,500,000	4	‡4	4	733,500
Mercantile National Bank......	1,000,000	5	5	5	1,932,400
Nassau Bank †	1,000,000	4	4	4	147,400
Mechanics & Traders' Nat. Bank	600,000	5	5	5	380,800
Fulton National Bank	600,000	5	5	5	572,600
Nat. Mechanics' B. Association.	500,000	4	4	4	166,500
Pacific Bank †................	* 422,700	3	3	3	373,700
Chemical National Bank........	* 300,000	–	15	–	2,992,500
Produce Bank †................	200,000	*New.*	—	3½	14,100
Totals, November, 1873.....	$15,622,700				$11,604,200

Average capital to each bank, $1,200,000. Ratio of gross profits to gross capital, within a fraction of seventy-five per cent.

* Quarterly. † State banks. ‡ October and April.

PHILADELPHIA BANK DIVIDENDS.

November, 1873, May and November, 1873.

Name of Bank.	*Capital.*	*Dividends.* *Nov.,* 1872.	*May,* 1873.	*Nov.,* 1873.	*Surplus.* *June,* 1873.
Farmers & Mech. N. B.	$2,000,000	5	5	5	$500,000
Philadelphia Nat. Bank	1,500,000	7	7	7	750,000
Manufacturers' Nat. B'k	1,000,000	4	4	4	200,000
Girard National Bank	1,000,000	6	6	6	500,000
National B'k of Republic	1,000,000	3½	3½	3½	51,725
Commercial Nat. Bank	810,000	5	5	5	209,950
Mechanics' Nat. Bank	800,000	6	6	5	200,000
Central National Bank	750,000	5	5	5	400,000
N. B. Northern Liberties	500,000	10	10	10	500,000
Penn National Bank	500,000	6	6	5	110,000
Corn Exchange Nat. B'k	500,000	6	6	6	200,000
Western National Bank	400,000	5	5	5	100,000
City National Bank	400,000	6	6	6	260,000
Consolidation Nat. Bank	300,000	6	6	6	220,500
Commonwealth Nat. B'k	300,000	–	3	3	950
Union National Bank	300,000	5	5	5	95,000
Second National Bank	300,000	5	5	5	90,000
Third National Bank	300,000	5	5	5	60,000
Southwark Nat. Bank	250,000	12	8	12	150,000
Kensington Nat. Bank	250,000	6	6	6	150,000
Nat. Bank of Commerce	250,000	4	4	4	65,000
Seventh National Bank	250,000	5	5	3	30,000
Germantown Nat. Bank	200,000	7½	7½	6	100,000
Sixth National Bank	150,000	5	5	5	30,400
Tradesmen's Nat. Bank	200,000	10	10	10	500,000
	$14,210,000				
Spring Garden Bank	250,000	–	–	5	——
Union Banking Co.	*(Failed.)*	–	4	–	——
Bank of America	170,000	4	4	4	——
People's Bank	100,000	6	6	6	——
West Philadelphia Bank	100,000	3½	3½	4	——
	$14,830,000	*July*	*Jan.*	*July*	
First National Bank	1,000,000	6	6	6	500,000
Eighth National Bank	275,000	5	5	5	65,000
Bank of North America	1,000,000	10	10	10	1,000,000
National Security Bank	250,000	3	3	3	9,000
	$17,355,000				$7,046,700

The dividends made by the banks in November, with two or three exceptions, are the same as at the last semi-annual period in May last, and the exceptions alluded to show a decline of only one per cent. each. The dividends are all payable on demand, free of tax. The business of the last six months has been generally good, and the profits about equal to that of any previous half year. Very few notes have gone to protest in the time, and the renewals have been much less in both number and amount than many have supposed.

For information as to the condition of these banks in 1872, see BANKER'S MAGAZINE, June, 1873, page 989.

INTEREST ON BANK DEPOSITS.

WASHINGTON, Nov. 25.—The forthcoming report of the Controller of the Currency will contain the following on the subject of "Interest on deposits and certification of checks."

In my last annual report I referred briefly to the evils resulting from the payment of interest upon deposits, and my predecessors have frequently referred more at length to the same subject. The difficulty has been that the proposed legislation by Congress upon this subject would apply only to the National banks. The effect of such legislation would be to bring State banks and Savings banks, organized by authority of the different States in direct competition with the National banks in securing the accounts of correspondents and dealers. The National banks will be desirous of retaining their business, and the more unscrupulous would not hesitate to evade the law by offering to make collections throughout the country free of charge, to buy and sell stocks without commission and to rediscount paper at low rates. The proposed action of the Clearing House in the city of New York, if adopted by the Clearing Houses of the principal cities of the Union, would do more to prevent the payment of interest on deposits than any Congressional enactment. But the evils resulting from the payment of interest upon deposits are by no means confined to the City banks. It may be safely said that this custom, which prevails in almost every city and village of the Union, has done more than any other to demoralize the business of banking. State banks, private bankers, and associations under the guise of Savings banks, everywhere, offer rates of interest upon deposits which cannot safely be paid by those engaged in legitimate business. National banks, desirous of retaining the business of their dealers, also make similar offers, and the result is not only an increase of the rates of interest paid by business men, but, as a consequence, investments in unsecured loans, bringing ultimate loss both upon the shareholders of the bank and the depositors.

The kind of legislation needed is that which shall apply to all banks and bankers alike, whether organized under the National Currency Act or otherwise. A law prohibiting the payment of interest on deposits by the National banks will have little effect, unless followed by similar legislation under authority of the different States, and there is little hope that such legislation can be obtained. The National Currency Act, which was passed during the war, provided for a tax of one-half of one per cent. upon all deposits, and subsequent internal revenue legislation extended this tax to all deposits made with State banks and individual bankers.

The act of March 3, 1869, authorizes the appointment of a receiver, if any officer, clerk or agent of any National bank, shall certify any

check drawn upon said bank, unless the person or company drawing said check shall have on deposit in said bank at the time said check is certified, an amount of money equal to the amount specified in such check. Receivers have been appointed for the NATIONAL BANK OF THE COMMONWEALTH, of New York, and the NEW ORLEANS BANKING ASSOCIATION during the past year for violations of this act; and it is the intention of the Controller hereafter to rigidly enforce this act whenever he is satisfied of such violation.

BANKING REFORMS POSTPONED.

The Clearing-House Association met November 25, and postponed the consideration of the measures of banking reform proposed by the Committee of Nine. Members now say that this result has seemed inevitable since the last meeting, though strong efforts have been made to secure the adoption of the report. The Association met at 1 P. M., all the forty-nine banks belonging to the Association being represented, except the MECHANICS' AND TRADESMEN'S and the METROPOLITAN BANKS. Mr. VERMILYE, the President, in the chair.

After the reading and approval of the minutes of the last meeting, Mr. COE, President of the AMERICAN EXCHANGE BANK, and Chairman of the Committee of Nine, explained why the Committee was appointed, what they had tried to do, and the difficulties they had encountered. Mr. LEVERICH, of the BANK OF NEW YORK, offered a resolution postponing further consideration of the matter for sixty days. Mr. KITCHEN, of the PARK BANK, offered an amendment referring the report to a new Committee of Nine. Various amendments were proposed and suggestions made, after which Mr. JORDAN, of the THIRD NATIONAL BANK, moved that the old Committee be increased to 15. On this Mr. COE asked that his committee be discharged. Mr. DUER, of the IMPORTERS AND TRADERS' BANK, proposed that the matter be discussed in Committee of the Whole. Mr. LEVERICH withdrew his motion, and Mr. KITCHEN renewed his amendment in the form of an original motion:

Resolved, That the report of the Committee be referred to a Committee of Nine, to be appointed by the Chair, and to be composed of members representing different views on the report, to report to a subsequent meeting whether a middle ground cannot be found on which different interests can unite and harmonize.

This resolution was adopted by a large majority, the vote being taken *viva voce*. The following bank officers were subsequently named by Mr. VERMILYE as the Committee:

W. R. KITCHEN, President of the PARK BANK; H. F. VAIL, Cashier of the BANK OF COMMERCE; D. C. HAYS, President of the UNION BANK; RICHARD BERRY, President of the TRADESMEN'S BANK; G. W. DUER, President of the BANK OF THE STATE OF NEW YORK; JOHN CASTREE, President of the IRVING BANK; JAMES BUELL, President of the IMPORTERS AND TRADERS' BANK; F. CHANDLER, President of the MECHANICS' BANKING ASSOCIATION; C. N. JORDAN, Cashier of the THIRD NATIONAL BANK, and O. H. SCHREINER, Cashier of the GERMAN-AMERICAN BANK.

BANKING AND FINANCIAL ITEMS.

THE BANKER'S ALMANAC.—Our readers are reminded that the BANKER'S ALMANAC for 1874, will be issued the first week in January; containing a complete list of the banks and bankers of the UNITED STATES and CANADA, as well as a copious list of the banks and bankers of EUROPE, ASIA, AUSTRALIA, SOUTH AMERICA, &c. The value of the volume will be enhanced by the addition of a list of the New York drawers of bills on London and Paris; with engraved views of new bank buildings; engraved views of the mints in operation in London, Paris, Philadelphia, and San Francisco; engraved views of the Bourse or Stock Exchange buildings of Paris, London, Lyons, Marseilles, Hamburg, Antwerp, and other leading cities of EUROPE, (*including that of Ancient Pompeii*); engraved fac similes of the new Trade Dollar of the UNITED STATES, and of new coins issued by foreign mints in the year 1873, (*to be continued annually*). Those bankers who desire their cards inserted in this new and attractive volume, which will have a world-wide circulation, are requested to transmit their orders immediately. To insure prompt delivery of the BANKER'S ALMANAC on publication (the first week in January), send an early order. To save time and postage a remittance of the price (three dollars,) should be made at the same time.

SAVINGS BANKS.—Congress at the last session directed the Controller of the Currency to prepare a report, and submit it at the next session, on State banks and Savings banks throughout the country. The work of preparing such a report has been going on all summer, but with very unsatisfactory results. Trustworthy data relative to the subject have been received from only eleven out of thirty-seven States. The other States have declined to furnish information, or sent statements that were indefinite and therefore useless. The inquiry into the subject has developed the fact, however, that a majority of the so-called savings banks in the UNITED STATES are not legitimate ones, according to the interpretation of Justice DAVIS of the Supreme Court of the UNITED STATES, who held in effect that a Savings bank was one without capital, and whose earnings should be applied to the benefit of its depositors, Reports from PENNSYLVANIA show that out of the thirty-five Savings banks in that State all but one based their business upon capital. NEW-ENGLAND has responded to the call for information concerning her banks as fully as desired, and so also has NEW YORK, with the exception of the trust companies. Such information concerning these banks as has been received will be fully prepared in a few weeks for transmission to Congress.

It is well known that the savings banks of NEW ENGLAND and NEW YORK and MARYLAND are institutions organized under special charters for the sole benefit of their depositors. Their financial position being made public, annually, by reports to the Legislature; whereas, those of PENNSYLVANIA, OHIO, MISSOURI, CALIFORNIA and some other States, have a capital, and the profits enure to the benefit of the stockholders, after paying a fair rate of interest to their depositors.—[*Ed. B. M.*

LONDON.—Hon. HUGH McCULLOCH, of Messrs. JAY COOKE, McCULLOCH & Co., of London, sailed on Saturday, November 15th, on his return to his London house, after a visit of six or eight weeks to this side. His visit was intended to be one of recreation. He left his house in first-rate condition early in September, and it is gratifying to know that its credit has been steadily maintained since, notwithstanding the embarrassment of Messrs. COOKE, in Philadelphia and New York. The London firm was kept wholly separate in capital and railroad concomitants, and while the partnership of four years will end by limitation on the 31st of December, Mr. McCULLOCH and his English juniors will continue the business under a new and strong organization.

FORGERIES OF UNITED STATES NOTES.—A novel kind of forgery was discovered at the Sub-Treasury in this city by MR. ABRAM N. W. TANDY, one of the note counters, who, while examining a large quantity of bills, came across

one of the 1863 issue, of $ 100, which felt somewhat spongy and soft. He then examined it with a microscope and ascertained that the bills consisted of two parts, which had been pasted together, the face being genuine and the back being a forgery. The intention of the counterfeiter is doubtless to make use of the good back and paste it in like manner to a fraudulent face, but whether this will be as good a forgery as the present one remains to be seen. The work is admirably done, and if the counterfeiters can make as good a face as they can a good "back" it is possible that $ 200 for a $ 100 bill can be easily had.

SILVER PAYMENTS AT THE TREASURY.—The payment of silver in sums of five dollars and under, to the Government creditors, was begun at the Treasury Department October 28th. There was, however, no exchange of silver for currency. It was found by the extent of demands that came when the announcement of the intention of the Treasury in this respect was published, that the unlimited payment of silver with the amount of coin on hand, with the limited capacity of the mints for turning out silver coin, was entirely impracticable. The mints are now employed in coining gold to their fullest capacity, and can do but little with silver until the gold demand is less. It is still hoped that when the coining of silver can be resumed the exchange of it for currency may safely begin.

NEW YORK.—The receiver of the UNION TRUST COMPANY, Mr. E. B. WESLEY, has submitted his statement as to the condition of that institution. The amount due depositors is $ 5,299,185.13; assets, $ 6,327,369.90. In the assets is included the $ 1,809,979.39 to the Lake Shore Company. The following are the securities which the defaulting cashier, CARLTON, purchased with the Trust Company's funds: 1000 shares Atlantic and Pacific, 300 Pacific Mail, 2000 Union Pacific Railroad stock, 600 Western Union, and 400 C. C. & I. C. The Trust Company claims that these stocks are its property, as no doubt they are if it could only know where to lay hands upon them.

THE CLEARING HOUSE.—The report of the Clearing-House Committee of Nine, November, 1873, is presented to our readers in the earlier part of this number. Objections have been made to this report to the effect that the Clearing House was not organized to legislate upon topics discussed by the committee, and, secondly, that each bank is (and should be) competent to manage its own affairs without being dictated to by others as to its legal reserve. In reply to this, it may be remarked that history, (especially of September, 1873), shows that many banks, without proper legal restraints, are not masters of the situation, and do not maintain the strength adapted to panics, and thus are compelled to lean upon the stronger ones in times of sudden revulsion.

City Loans.—While the six-per-cent. loans of the City of Baltimore are selling at 94 those of the City of Philadelphia command 101. While this tells to the credit of one city there is a broader contrast in the prices of the shares of the two great railroads out of the respective cities. While the Baltimore and Ohio Railroad shares sell at 160 those of the Pennsylvania Railroad are selling down to 42.

STATE FINANCES EMBARRASSED.—The sum of $ 1,974,600, being a portion of the canal debt, fell due on the 1st of November 1873. The State officers advertised for bids for a new loan, the proceeds of which were to be used in the payment of the old loan. Contrary to all anticipation, no bids were presented. This is unprecedented in the finances of the State, and shows how disastrously the revulsion through which we are passing has affected business interests. Less than half a million of the old bonds were offered in exchange for the new bonds, leaving about a million and a half of dollars to be provided.

BANK EMBEZZLEMENT—TAINTOR CONVICTED.—The case of F. L. TAINTOR, cashier of the late ATLANTIC NATIONAL BANK was, October 29, in the U. S. Circuit Court. The point of law was raised by the defense that it was competent to produce evidence to show that TAINTOR acted for the bank, and with the knowledge and consent of its president and directors, in making his stock speculations. This was decided against the defense by Judge BENEDICT, he holding that, even admitting all the facts offered to be proven, TAINTOR would be guilty if the jury found that he acted with intent to violate the law prohibiting such

transactions by bank officials. The defense declined to put in any evidence, and Judge BENEDICT directed a verdict against TAINTOR on the evidence ordered for the prosecution. The jury found TAINTOR guilty, and his counsel gave notice that they would move for a new trial. TAINTOR was then remanded to jail.

THE UNION TRUST COMPANY.—At a meeting of the trustees of the Union Trust Company, October 30, the following resolutions were adopted:

Resolved, That the capital of this company be, and is hereby increased to the amount of two millions of dollars, by the addition of one million of dollars to the present capital of the company; which additional capital shall be divided into shares of one hundred dollars each; that the additional capital be offered until November 15, 1873, to the present stockholders, to each so much of said additional stock as such present stockholder now holds of the present stock.

Resolved, That twenty-five per cent. of the additional capital stock shall be paid on or before November 20, 1873; twenty-five per cent. on or before December 10, 1873, and the remaining fifty per cent. at the call of the trustees after December 1, 1873, upon thirty days' notice.

SUSPENSION OF LLOYD, HAMILTON & CO.—The failure of Messrs. LLOYD, HAMILTON & CO., bankers, 48 Exchange Place, was announced Oct. 30. The firm were members of the Stock Exchange, but had closed all their contracts before the disaster. They attribute their suspension to the long-continued drain made by out-of-town customers upon their deposits, and the inability of the firm to realize promptly upon the collaterals in their possession. They expect to resume payment within a few weeks. In consequence of LLOYD, HAMILTON & CO., of New York, WILLIAM M. LLOYD & CO., bankers, Altoona, PA., suspended payment, October 30.

AN ELABORATE BANK BUILDING AND SAFE.—The BANK OF NORTH AMERICA has removed into its new building, at No. 44 Wall Street. It has two stories and basement. Its front is of ornamental iron, and the main story is eighteen feet high, and all the rooms are clear of columns. An important feature of the building is its fire and burglar-proof safe, which is erected upon a solid foundation, and carried up through the basement into the first story. The first course consists of a twelve-inch wall of fire brick, in which is built a steel cage, with bars four inches from the centres. Around the entire safe, and on the top and bottom, is a wall of granite blocks twelve inches thick. Between these blocks are three-inch cannon balls, set in sockets in such a way that the balls will turn on any attempt to drill through them. Inside the whole is a case of three-eighth-inch boiler iron. The doors, which alone cost $ 2,600, are of three layers of steel and three layers of iron, alternating. These layers will be so arranged that, in case of an attempt to drill through them, the bit will strike some joint, and thus become disabled. The doors are "step-rabbeted," to preclude the possibility of prying them open with wedges. The locks are complicated and not susceptible to picking. It is intended that the treasure of the institution shall be surrounded by safeguards which will hold burglars at bay for the longest time the bank is ever likely to be left unguarded. The whole building, except the basement, is to be occupied by the bank. Its cost will be about $ 45,000.

REMOVAL.—The Sun Mutual Insurance Company has removed its office to No. 37 Wall Street, in the building formerly occupied by the BANK OF NORTH AMERICA.

Messrs. DICKINSON & CO., No. 25 Broad Street, offer their services as bankers and dealers in gold and stocks on commission. Their card will be found in the advertising sheet of this work.

ANOTHER DEFALCATION.—On Wednesday, November 5, at the opening of business hours, the receiving teller of the SECURITY BANK, 319 Broadway, discovered that his cash-box, containing about $25,000, was gone. Mr. HENRY D. LOWES, then the cashier of the bank, failed to make his appearance that day, and has not been seen since. His bondsmen have agreed to forfeit the amount of his bonds, $ 20,000, and the bank will not lose more than $ 5,000.

New York.—Rumors having gained currency regarding the MERCANTILE NATIONAL BANK, the directors inform their dealers and stockholders: That the capital of the bank is $1,000,000, and surplus $337,000. That very recently the late President, Mr. E. J. BLAKE, without their knowledge, made loans to a corporation in which he was interested. The loss, if any, from this account they believe will not exceed the surplus. At a meeting held November 18, Mr. NORMAN WHITE was unanimously elected President, in place of Mr. E. J. BLAKE, resigned. The directors are NORMAN WHITE, JOSEPH STUART, J. N. PHELPS, C. P. BURDETT, S. E. HOWARD, ANSON PHELPS STOKES, ROBERT W. STUART.

New York.—The old stock firm of GREENLEAF, NORRIS & CO., which suspended in September last, has recovered its former firm position, having resumed payment in full, and is now in active operation, much to the satisfaction of the numerous friends of the house inside and outside of the Stock Board.

New York.—At a meeting of the directors of the PRODUCE BANK of this city, November 7th, Mr. SAMUEL CONOVER was duly elected cashier. His long experience in the MERCHANTS' BANK (twelve years), and six years as paying teller of the FOURTH NATIONAL BANK, as well as his connection with the PRODUCE BANK since its organization, fitly prepare him for the position.

DELAWARE.—A bold attempt was made, November 7th, to rob the NATIONAL BANK OF DELAWARE, Wilmington. While the cashier, Mr. FLOYD, was at supper with his family, about 6 o'clock P. M., a knock was heard at the door. Mr. FLOYD rose and proceeded to the door, and upon opening it five masked and armed men appeared. One of them seized, threw him down, and pointed a pistol at his head. Two others of the gang rushed into the supper room, and with drawn pistols ordered the ladies to be silent and make no alarm. One, however, fled, and was pursued by one of the villains, but she fortunately escaped by a side door into the street. Her screams raised an alarm, and the robbers were thus frustrated and then escaped. The residence of the cashier is in the rear part of the bank building, and the burglars no doubt intended to capture, gag, and bind the whole family, and then proceed leisurely to open the vaults, having the whole night for the work.

DISTRICT OF COLUMBIA.—Washington, November 10. The FIRST NATIONAL BANK is paying thirty cents on the dollar to depositors who have proved their accounts. The depositors will receive about fifty per cent. in all, according to present indications. Of the five or six hundred depositors in the banking house of JAY COOKE & CO., all excepting about thirty have signed the plan of agreement, namely, to place the settlement in the hands of ex-Commissioner of Internal Revenue ROLLINS. Nearly all of these thirty are either distant from the city or cannot at present be reached. Those who have signed represent three-fourths of the amount of deposits involved. Among the depositors who received thirty per cent. of their deposits, in the FIRST NATIONAL BANK, was ex-President JOHNSON, who received nearly $22,000.

Suicide.—WHITMAN C. BESTOR, of the banking house of RIGGS & CO., in Washington, committed suicide on the morning of November 13, by shooting himself. His wife was in an adjoining room at the time, and, hearing the report of the pistol, rushed into the chamber, where she was agonized by seeing her husband lying on the floor and weltering in blood. From the appearance of the scene it would seem that he had placed himself before the looking-glass, to aim the pistol on the left side of his head, it being held in his right hand. The deceased leaves a wife and four children. He was about fifty years of age, and had been connected wtth the banking house of RIGGS & CO., for upwards of eighteen years. Besides being successful in his business connection, he possessed a private fortune, and was therefore easy in his pecuniary circumstances. He had been complaining for some days of depression from office fatigue and dyspeptic symptoms which resulted in a fit of insanity, with the fatal ending above mentioned, the intelligence of which startled the whole community, Mr. BESTOR having enjoyed general esteem and confidence.

INDIANA.—The interest law of the State of INDIANA was, in February last, essentially altered. Uuder date of February 5th, 1873, (*see copy of Act, page*

465, BANKER'S MAGAZINE), a law was passed whereby judgments in that State bear interest at the same rate as the note or contract sued on; and where no special rate was provided by contract, or where a greater rate of interest is expressed than ten per cent. the law allows SIX PER CENT. per annum on such judgment, (*on all contracts made after the above date.*)

MONEY LOCKED UP.—One of the victims of the yellow fever at Shreveport was the Hon. SAMUEL PETERS, member of Congress elect, who was cashier of the Shreveport branch of the FREEDMAN'S SAVINGS BANK. The disease carried him off so suddenly that he had not time to give any directions concerning the affairs of the bank, and he died without making known the "combination" on which the safe was locked. The books show that there are $12,000 in the safe, but there are no mechanics in that part of the country who can open the safe without destroying it. As the Examiner of FREEDMAN'S BANKS will not go to Shreveport until the frost has completely subdued the pestilence, the people's money remains literally "locked up."

MAINE.—The SAVINGS BANK at Bethel, ME., was entered by robbers, in October, who blew off the lock of the outer door with powder, alarming the neighbors, who captured three of the robbers.

MASSACHUSETTS.—The ROCKPORT NATIONAL BANK suspended payment for two days in November, some derangement of its locks preventing the opening of its vault doors. The cotton mill could not make its regular weekly payment, and other minor local disturbances occurred from the temporary lockup.

Lowell.—At a meeting of the directors of the MERCHANTS' NATIONAL BANK of Lowell, in November, CHARLES W. EATON was elected cashier to fill the vacancy caused by the resignation of JOHN N. PEIRCE, Jr. Mr. EATON is twenty-eight years old, a native of Lowell, and is said to have excellent qualifications for the place. He rendered valuable assistance to Colonel NEEDHAM during the recent investigation of the affairs of the bank.

MISSOURI.—St Joseph, Mo., November 6.—The BANK OF ST. JOSEPH, a new institution, with a capital of half a million dollars, was organized November 6th.

OHIO.—S. S. RICKLEY, banker, Columbus, made an assignment, November 10th, for the benefit of his creditors, to General CHARLES C. WALCUTT. His liabilities are estimated at $125,000; assets, $175,000. At the beginning of the late financial panic a run was made on RICKLEY'S BANK, and it was necessary to suspend for a short time; but afterwards business was resumed, and continued until the above date, when the impossibility of converting securities into currency made the assignment necessary.

PENNSYLVANIA.—The FIRST NATIONAL BANK of Athens, PA., was robbed in November. While the cashier was at his desk five men entered, gagged and handcuffed him, and carried off $20,000, mostly in special deposits. The cashier was found on the floor of the back office next morning.

THE MINT.—According to reports made by Dr. LINDERMAN, Director of the Mint, the amount of gold coined during the month of November, at the Philadelphia Mint, will reach $10,000,000. This, it is thought, will place the Treasury in a strong condition, so that it will only be necessary to coin $1,000,000 a month for several months. The Pacific coast being abundantly supplied with subsidiary silver coin, the mints at Carson City, NEVADA, and San Francisco will be run on gold coin and trade dollars. The demand for the latter coin from CHINA, but more particularly from JAPAN, is increasing largely. The Philadelphia Mint, which has been running to its full capacity on gold has been directed to change to silver, and will hereafter until further orders be occupied in the coinage of half dollars, quarters and dimes, at its full capacity of about $700,000 per month. The Government is in possession of silver bullion sufficient to run the mint at this rate for several months to come. There are in the various sub-treasuries about $500,000 in subsidiary coin, which will begin to be paid out at once.

Resumption.—The prominent and long established house of Messrs. E. W. CLARK & Co., bankers, of Philadelphia, resumed business October 25th, after a suspension of payments of only five weeks. Mr. E. W. CLARK is President of the Lehigh Coal and Navigation Company, and his brother, Mr. CLARENCE CLARK, is President of the FIRST NATIONAL BANK of Philadelphia.

PHILADELPHIA BOARD OF BROKERS.—HARRISON GRAMBO has instituted suit against the Philadelphia Board of Brokers to compel his reinstatement as a member thereof, and asking for damages for being kept out of that body, The bill sets forth that he became a member of the board on October 24, 1872, paying $250 for his seat; that, except in that board, it is impossible to carry on the sale of stocks and other securities, and that on the the 3d of May, 1873, the board unlawfully suspended him from membership, and denied him his right as a member. He acknowledges that he became embarrassed in April, 1873, but says that his indebtedness was entirely out of that board, that he has settled with all his creditors, obtained a release from them, and has satisfied the committee of the Board of Brokers of that fact. Yet he is kept by that body out of his seat, to which he claims he is justly entitled.

PITTSBURGH.—The creditors of IRA B. MCVAY & Co., who suspended November 7th, had a meeting on the 14th, at which it was agreed to grant an extension of two years, the firm agreeing to pay twenty-five per cent. every six months. They presented a statement showing a surplus of sixty thousand dollars over and above their liabilities.

The DUQUESNE SAVINGS BANK proposes to pay their indebtedness in five instalments, of twenty per cent. each, of four, seven, eleven, thirteen and sixteen months. The proposition will doubtless be accepted.

Pittsburgh.—The National Trust Company, of Pittsburgh, suspended payment November 18. The following notice was posted on the door: In consequence of the unexplained absence of our cashier, and the consequent difficulty of ascertaining the exact condition of this bank, and the impossibility of immediately converting securities held by it, the Board of Directors have deemed it necessary and proper to temporarily suspend the transaction of business. A full and satisfactory statement will be prepared and submitted within a few days to all persons interested. The assets of the bank are believed to be amply sufficient for the payment of all its liabilities. The personal liability of the stockholders, however, absolutely secures the payment at an early day of every dollar of the indebtedness of the bank. By order of the Board. ROBERT DICKSON, President.

RHODE ISLAND.—STEPHEN P. WARDWELL, cashier of the COMMERCIAL NATIONAL BANK of Providence confesses to a defalcation of about $45,000. An examination, by the directors and Bank-Examiner WYGATT, indicates that the full extent of the embezzlement is stated, but the accurate figures were not attainable. The money was lost some years since in a speculation. The cashier's bond and private property will nearly reimburse the bank. Mr. FARNUM has been elected cashier *pro tem.*

FRAUDLENT LETTERS OF CREDIT.—Some of the large American houses have been in the habit of issuing letters of credit on EUROPE, which i has been the custom on the part of the establishments to whom they are addressed to honor without advice, but owing to numerous recent frauds it seems that a more strict system should henceforth be adopted. Several of the first banking houses on the Continent have been defrauded of large amounts, the names in whose favor these letters of credit are issued having been effaced, both in the body and in the signature, in such a way as not to leave the slightest trace, and the name of the party inserted who presents the credit, and who is ready to exhibit his passport or proper proofs of identity if demanded. A person giving the name of JOHN BARLOW presented himself lately to some of the leading firms in ITALY with a circular credit of Messrs. DREXEL, MORGAN & Co., of New York, for £2,000, took a great part of the money in Rome, and almost the whole of the remainder in Florence on the following day. When the drafts came to be presented to Messrs. J. S. MORGAN & Co., the London house, ten days later, drawn by Mr. BARLOW, it turned out that the credit was issued in the name of an American

lady, and that the name and signature had been replaced by those of JOHN BARLOW. Under these circumstances a question of responsibility arises, and the Italian bankers contend that they are not liable unless they can be charged with gross carelessness, or they had been before advised by the issuers of the letter of credit having been lost or stolen. In any case it would be well to stop the system of issuing these circular letters without advice. Looking at the opportunities for fraud under the present practice, any extra trouble and expense it might involve to the issuing bankers ought scarcely to be a consideration.—*London Times, City Article, October* 6.

Interest on Deposits.—The officers of the FOURTH NATIONAL BANK, of Cincinnati, have taken a decided stand on the question of paying interest on current deposits. From a circular notice to their customers on the subject, we take the following extract:

"Satisfied that the practice of paying interest on current accounts between banks and bankers, where balances are subject to sight checks, is radically wrong, and often productive of mischief and serious evils, both to banks and the community, the management of this institution have determined to discontinue it from and after the 1st day of December proximo.

"From and after that date, this bank will not receive interest from any of its correspondents, nor will it pay interest on any deposits or balances, except:

"First—On deposits made for a specific time, not less than sixty days, in which case a certificate of deposit will be issued, and interest paid at the rate of four per cent. per annum.

"Second—On deposits of banks and bankers intended as reserve, (in no case a less sum than five thousand dollars), and to be kept on our books as 'special account,' and separately from the daily current account of such bank or banker, we will pay interest at the rate of *four* per cent. per annum; provided, that whenever this account is drawn against, and falls below the amount agreed on as 'special account,' no interest will be paid on the same, or any portion thereof, for that month, nor until the amount of deficiency is made good.

"It will be perceived that our purpose is to pay no interest on deposits and balances, except such as are of a permanent and reliable character, and that may, with a reasonable degree of safety and profit, be used.

"We have adopted the course here marked out, believing it to be based on a sound principle in banking, which will commend itself to the intelligence and good sense of our correspondents."

This course must be commended. A bank can neither receive nor pay interest on deposits liable to constant draft with safety. The principle is wrong, and it is the right thing to treat it as an evil that ought to be abated. Public sentiment points to reform in the policy of receiving money from country depositors, and of loaning out (as in practice in New York) NEARLY THE WHOLE TO STOCK SPECULATORS. "Loans on call," with stock collaterals, are among the most dangerous to the banker, both borrower and lender, and pernicious to the community at large, because business men are thereby excluded as borrowers.

Chicago.—In November, on the return day of the order for the FRANKLIN BANK to answer the supplemental petition, and no answer having been filed, Judge BLODGETT adjudicated the concern bankrupt by default, and warrants of seizure were issued, returnable December 1. On that day a meeting of the creditors will be held and assignees appointed. A United States Marshal has taken possession of the bank.

SOUTH CAROLINA.—The United States Supreme Court has decided the case of the State of SOUTH CAROLINA, *ex rel.* WAGNER, against STOLL, County Treasurer; an appeal from the Supreme Court of the State, involving the question of the validity of the issues of the Bank of the State during the war. The charter of the bank, framed in 1812, provided that its issues should be receivable for taxes; but the County Treasurer now refused to receive them on the ground that they were issued in aid of the rebellion, and were therefore no tender. The Court below sustained the objection, and the judgment was for the Treasurer. On a former argument of the case in this court that judgment was affirmed; but upon a re-argument had at this term there is a change of opinion and the

judgment is now reversed, the same Judge writing the opinion. The Court holds that, as the faith of the State was pledged for these bills, the holders were entitled to rely upon that credit and on its protection. The credit of the State could not be withdrawn without an open and clear declaration to that effect, and such a declaration was not made until 1868 by the repeal of the charter, which was too late to render the bills no tender in the present case. One other case was decided by the decision in this. Mr. Justice HUNT delivered the opinion and Mr. Justice BRADLEY dissented.

TEXAS.—THE NATIONAL BANK OF JEFFERSON continues, as heretofore, to give attention to collections in Shreveport, LA., as well as in Jefferson, Marshall, Longview and other points in TEXAS. Their card will be found on cover of this Magazine.

VIRGINIA.—The CITIZENS' BANK of Petersburg, offers its services to correspondents having business with that city and neighborhood.

The PLANTERS & MECHANICS' BANK also announces its readiness to attend promptly to the interests, in that vicinity, of its correspondents.

The cards of both these banks will be found in the usual place in this magazine.

Petersburg.—The MERCHANTS' NATIONAL BANK of Petersburg, has gone into liquidation. Its late President, T. T. BROOCKS, has been held in fifteen thousand dollars bail for examination, on the charge of embezzling one hundred thousand dollars of the funds of that institution.

HALIFAX, October 31.—The ACADIA BANK, of Liverpool, N. S., has forfeited its charter and gone into liquidation.

THE MONETARY DIFFICULTIES OF THE WORLD.—The *London Times* in its city article of the 27th of October gives the following explanation of the fact that there are financial troubles in many countries at once:

It will perhaps be asked how it is that, while money, like water, has the constant tendency to find a level, there can be a simultaneous scarcity in all the chief places of the globe? The answer is that probably at no previous period has there been so simultaneous a hoarding. Not only has the improvident absorption in ENGLAND been beyond any former precedent, but there is reason to believe that in AMERICA, SPAIN, and FRANCE, from different causes, the process has been on a still more unusual scale; while in GERMANY, although the gold coinage is gradually paid out in exchange for the old silver circulation, this silver circulation is retained by the government, and practically amounts to a hoarding of the wealth obtained from FRANCE. If there should be a return to pacific and orderly government on the Continent, a period of unsurpassed abundance would probably be witnessed, the effects of the American panic being certain to subside in due course; but the signs in FRANCE give little hope of such a consummation, and hence, although on this side the tendency may be toward a recovery of steadiness, there can in the relations between trade and the money-market be no ground on which, for the present, calculations can be based with any approach to certainty.

Cash Reserves.—A merchant like a banker needs a reserve, and in making up his balance sheet he will, if prudent, take care and make provision for it. This particularly needs to be done in case of partnerships, before crediting increase of profits or capital to separate partners. This reserve fund should be invested in undoubted securities on which money can be easily raised, and not be exposed to the risks of the business. Then in case of a great calamity, fire, shipwreck, panic, or what not, there will always be something tangible and easily available to fall back upon.—*Monetary Times.*

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from November Number, page* 400.)

Additions to this list are solicited from the subscribers to this work.

NEW YORK CITY.

S. B. Bostwick, 13 Broad.
Camblos & Myers, 24 New.
Capron & Merriam, 9 Wall.
E. R. Tremain & Co., 6 Wall.
Johnson & Bell, 26 Exchange Place.
Simons & Chew, 2 Exchange Court.
H. C. Williams & Co., 49 Wall.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Athens, GA.	Bank of the University	National Park Bank.
Columbus, "	Eagle & Phenix Sav. & Dep. B'k.	National B'k State N. Y.
Minonk, ILL.	Danforth & Co.	Irving National Bank.
Peoria, "	German Banking Co.	....
Carroll City, IOWA.	O. H. Manning	Sanders & Hardenbergh
Chariton, "	Chariton Bank	American Ex. Nat. B'k.
New Orleans, LA.	Home Mutual Savings Bank	Hanover National Bank.
Wellington, KANSAS.	Woods & Share	Donnell, Lawson & Co.
Florence, "	Marion Bank & Savings Inst'n.	Fourth National Bank.
Newton, "	Harvey County Savings Bank.	....
Louisville, KY.	Ex. Bank & Tobacco Wareh. Co.	Bank of America.
Fayetteville, N. C.	Merchants' Bank of Fayetteville.	National Park Bank.
Wadesboro, "	Branch Bank of New Hanover.	Importers & Traders'.
Wilmington, "	Wilmington Trust Co. & Sav. B'k.	Marine National Bank.
" "	R. E. & Loan Asso. Sav. B'k.	(*None.*)
Dover, N. J.	Dover Bank	Mercantile National B'k.
Attica, N. Y.	James H. Loomis	Mercantile National B'k.
Walden, "	Exchange Bank of Walden	Loaners' Bank.
Eaton. OHIO.	Preble County Bank	Winslow, Lanier & Co.
Elmore, "	Bank of Elmore	Import. & Traders' N.B.
Oil City, PA.	F. W. Mitchell & Co.	Ninth National Bank.
Scranton, "	Scranton City Bank	Dry Goods Bank.
Burlington, VT.	Farmers & Mechanics' Sav. Inst.	....
Jamaica, "	Jamaica Savings Bank	....
Ashland, WIS.	L. C. Wilmarth	German N. B., *Chicago.*
Milwaukee, "	James B. Turck	Gilman, Sons & Co.

CANADA.—The VILLE MARIE BANK, a new bank at Montreal, was victimized to the extent of ten thousand dollars, November 6th. Two well-dressed men entered the bank, shortly after its opening, and while one of the thieves drew the clerk's attention the other seized the package containing the above amount, and both escaped.

DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from November No., page 402.*]

NEW YORK CITY.

Theodore Braine & Co., 19 Broad.
Capron & Co., 27 New (succeeded by Capron & Merriam.)
Corne & James, 38 Broad.
King & Robb, 56 Wall.
Lloyd, Hamilton & Co., 48 Exchange Place, (suspended.)
Williams & Bostwick, 49 Wall, (succeeded by H. C. Williams & Co.)

ARKANSAS.—William H. Etter, *Fayetteville.*

CALIFORNIA.—Warden & Phillips, *San Luis Obispo,* (succeeded by Bank of San Luis Obispo.)

ILLINOIS.—W. F. Thornton & Son, *Shelbyville,* (senior partner deceased.) Ermentrout, Harvey & Co., *Urbana,* (suspended.)

INDIANA.—First National Bank, *Anderson,* (suspended.)

KANSAS.—V. C. Jarboe, *Paola,* (reported failed.)

MASSACHUSETTS.—Stevens, Amory & Co., *Boston.*

MINNESOTA.—George D. Snow & Co., *Le Sueur.*

MISSOURI.—J. F. Spratt & Co., *Hamilton,* (suspended); J. S. Sterling & Son, *Lebanon.* (suspended); Moberly Bank, *Moberly,* (suspended); Allen, Brother & Co., *Pierce City,* (merged into Lawrence County Bank.)

NEBRASKA.—James Sweet & Co., *Nebraska City,* (suspended.)

NEW YORK—Thomson & Loomis, *Attica,* (succeeded by James H. Loomis); B. T. Willis & Bros., *Belfast,* (suspended); L. S. Hammond, *Cape Vincent.* (*failed.*)

NORTH CAROLINA.—A. W. Steele & Co., *Fayetteville,* (succeeded by Merchants' Bank.)

OHIO.—S. S. Rickley, *Columbus,* (suspended.); Garaghty & Hunter, *Lancaster,* (*failed*); Farmers' Savings Bank, *Lima,* (suspended).

PENNSYLVANIA.—W. M. Lloyd & Co., *Altoona,* (suspended); Savings & Deposit Bank, *East Liberty,* (suspended); Du Quesne Savings Bank, Mechanics' Savings Bank, T. Mellon & Sons, Ira B. McVay & Co., National Trust Company, *Pittsburgh,* (all suspended.)

TEXAS.—Adams & Leonard, *Corsicana,* (sold out.)

BANK STATIONERY.—One of the most important stationery articles for banks is the steel pen. This has been improved of late years to such an extent as to make it preferable to the gold pen. In the advertisement pages of this magazine may be found a list of the varieties of the Spencerian Double Elastic Steel Pens, manufactured by Messrs. IVISON, BLAKEMAN, TAYLOR & CO., No. 138 Grand Street, New York. There are no less than fifteen varieties produced by this firm, several of which we can fully endorse as well adapted for use by bank clerks. For the convenience of those who may wish to try them, this firm will send a sample card, containing all of the fifteen numbers, by mail, on receipt of twenty-five cents.

FINANCIAL CHRONOLOGY.

[*Continued from November No., page* 403.]

October.

22 National Trade Convention assembled at Chicago, 22 to 25.
23 Resolutions of the Clearing-House, N. Y., to abolish the bank pool, Nov. 1.
23 Resumption of business by Williams & Bostwick, brokers.
25 E. W. Clark & Co., bankers, Philadelphia, resumed business.
26 Death of Joseph Saxton, aged 74, former Coiner of the U. S. Mint.
28 Bids for $2,000,000 consolidated bonds, city New York, 7 per cent.
28 Silver currency payments commenced by Treasury at Washington.
30 Suspension of Hoyt, Sprague & Co., New York city.
30 Suspension of Lloyd, Hamilton & Co., bankers, New York.
30 Suspension of W. M. Lloyd & Co., Altoona, Pa.

November.

1 Dissolution of the bank pool of legal tenders, New York.
4 Legal holiday in State of New York.—General election.
6 Bank of England rate of discount raised to 9 per cent.
6 Failure of Ira B. McVay & Co., bankers, Pittsburgh, Pa.
7 Attempt to rob the National Bank of Delaware, Wilmington.
8 Bank of France rate of discount raised to 7 per cent.
11 Suspension of Duquesne Savings Bank, Pittsburgh.
11 Suspension of East Liberty Savings Bank, Penn.
11 Special report made by Committee of Clearing House, N. Y.
17 Change of Presidency in the Mercantile National Bank, New York.
18 Suspension of National Trust Co., Pittsburgh.
20 Bank of England rate reduced from 9 to 8 per cent.

NOTES ON THE MONEY MARKET.

New York, November 22, 1873.

Exchange on London, at sixty days' sight, 106½ @ 107 *for gold.*

The money market, since the close of October, is only partially restored to quiet. Confidence is stronger in the future, and in the financial position of the remaining banks and bankers. The storm has driven some of the best firms into suspension, because they had undertaken too much business, or had reserved too small a sum to meet extraordinary demands, from their creditors. It has been said, in days of yore, that *history repeats itself.* This is especially true of banking. Those who, with the writer, remember the financial revulsion of 1837, will bear in mind that the main causes then in force were excessive paper money and vast paper credits.

Those who recollect the revulsion of the year 1857 will testify that paper money and expansion of credit in the shape of loans and bank deposits were again the chief causes of disturbance. One large failure shook confidence in moneyed institutions, and the policy of interest on deposits led, unfortunately, to an unsafe expansion of both bank issues and deposits, leading to excessive loans and speculation.

Those who can take a quiet and impartial survey of the late events will be convinced that bank paper and bank deposits were extravagantly increased, leading to enormous and unsafe loans, in a large number of cases to speculators. In such a severe crisis the affairs of the conservative, as well as those of the speculative, become embarrassed. Stocks are sold to an immense amount on speculation—some for a rise; others for a fall; and the failure of one large firm involves that of many others.

With all the experience of the past, speculation is yet rife in Wall Street. The Stock Board report of each day still shows that enormous transactions occur solely with speculative views.

The views of bankers vary as to the cure of those evils, and measures are under consideration for the purpose of confining the bank movements of this and other large cities more closely to the legitimate business and trade of the country. One of the most obvious evils is the tendency among banks and bankers to loan upon stocks. This is a branch of the banking business which keeps the market unsteady throughout the year.

A late case of suspension occurred where a loan had been made to one individual. on the stock or bonds of one Railroad Company, to the enormous sum of $1,800.000; other loans were made to other speculators, thus defeating the intention of the Legislature, which was, that the loans should be for the encouragement of legitimate business and in moderate sums.

A rule that no bank shall loan more than ten per cent. of its capital to any one concern, is a sound one, and should be rigidly enforced.

It would be difficult at this time to furnish to our readers, reliable quotations of the rates for money. The banks are still confined to a reduced volume of loans, because their deposits are reduced to a greater extent than they are willing to acknowledge. An improvement is, however, steadily taking place, and we hope to record soon a restoration of loans and of confidence. The brokers are taking prime business paper at ten to fifteen per cent. per annum, but there are large amounts that pass at rates equivalent to 1½ and three per cent. a month. The sacrifices of note-holders have been great, and our manufacturers, who are among the most useful of our people, find great difficulty in making their weekly payments to workmen.

The difficulty of raising money to meet contracts has already inaugurated a step towards the reduction of wages. This is one of the inevitable effects of a contraction currency and reduced loans. The working classes begin now to feel the effects of the revulsion.

The failure of such houses as A. & W. Sprague and other manufacturers, is a serious misfortune to the community. Thousands are thrown out of employment for the present, and (with other thousands dependent on them) will long feel the losses to which manufacturers are now exposed.

The reduced volume of the currency has lessened the demand for Government loans in this market. Prices are, however, well sustained, as will appear by the annexed summary of quotations for the current week:

	Offered.	Asked.		Offered.	Asked.
U. S. 6s. 1881. Registered	113¾	114¼	U. S. 5-20, '67. Coupon	113¾	114
U. S. 6s 1881. Coupon	114¼	114¾	U. S. 5-20, '68 Coupon	113½	114
U. S. 5-20, 1862 Reg.	108⅛	109	U. S. 10-40. Registered	107	107¾
U. S. 5-20. Coupon, '62	108½	109	U. S. 10-40. Coupon	107½	107¾
U. S. 5-20, Coupon '64	109¼	109¾	U. S. Currency, Pacifics	110	110¼
U. S. 5-20. Coupon. '65	109¾	110¼	New Fives, 1881	109¼	109¾
U. S. 5-20, '65, J. & J.	112⅝	113			

The Foreign Exchange Market is yet seriously disturbed by the gold movements. Leading bankers asked 106¾ for 60 days' sterling, and 108½ for short sight do. We quote: Bills at 60 days on London, 105¼ *a* 106⅛ for commercial; 106⅝ *a* 106¾ for bankers'; do. at short sight, 108 *a* 108½; Paris, at 60 days, 5.42½ *a* 5.31¼; do. at short sight, 5.27½ *a* 5.26¼; Antwerp, 5.42½ *a* 5.32½; Swiss, 5.40 *a* 5.32½; Hamburg, 4 Reichsmark, 92½ *a* 93½; Amsterdam, 38⅝ *a* 39¼; Frankfort, 39½ *a* 40¼; Bremen, 4 Reichsmark, 92½ *a* 93½; Prussian thalers, 69½ *a* 70⅝.

The prices at this date, compared with the last three months, are as follows:

Sixty days' Bills.	*July* 21.	*Aug.* 21.	*Oct.* 22.	*Nov.* 21.
On London, bankers'	109⅛ @ 109⅜	107¾ @ 108	107 @ 108	106½ @ 107
" commercial	108½ @ 109	107¼ @ 107⅝	105 @ 106	105¼ @ 106
Paris francs, ℔ dollar	5.27½ @ 5.23¼	5.35 @ 5.30	5.42½ @ 5.32½	5.42½ @ 5.31¼
Amsterdam, ℔ guilder	40 @ 40½	39⅝ @ 40	38⅝ @ 39⅜	38⅝ @ 39¼
Frankfort, ℔ florin	41 @ 41⅜	40½ @ 40⅞	39½ @ 40¼	39½ @ 40¼
Hamburg, ℔ 4 R'mark	95¾ @ 96⅜	94½ @ 95	92¼ @ 93½	92½ @ 93½
Prussian thalers	71¾ @ 72⅜	70⅝ @ 71¼	69¼ @ 70⅝	69½ @ 70⅝

The total export of coin from New York for 10½ months this year has been $45,090,000, about 18 millions less than in 1872. We annex the total foreign export for 10½ months of each year, since 1852.

Year 1853	$21,788,000	Year 1860	$41,808,000	Year 1867	$44,135,000
" 1854	35,215,000	" 1861	3,300,000	" 1868	68,207,000
" 1855	26,492,000	" 1862	50,613,000	" 1869	29,889,000
" 1856	33,387,000	" 1863	39,690,000	" 1870	55,113,000
" 1857	34,257,000	" 1864	40,953,000	" 1871	58,590,000
" 1858	23,835,000	" 1865	25,484,000	" 1872	63,883,000
" 1859	65,776,000	" 1866	56,623,000	" 1873	45,090,000

The foreign imports at New York are materially less than last year, but yet too large for the actual wants of the country, or its ability to pay.

Foreign Imports at New York for Ten Months from January 1.

	1871.	1872.	1873.
Entered for consumption	$182,520,289	$174,634,901	$154,942,487
Entered for warehousing	121,668,706	156,435,717	109,559,827
Free goods	24,884,789	44,866,612	74,458,390
Specie and bullion	6,192,628	5,265,429	13,771,361
Total entered at port	$335,266,412	$381,202,659	$352,732,065
Withdrawn from warehouse	109,487,119	139,562,819	104,701,744

The cash duties being collected only upon the goods thrown upon the market, show a greater decline than the volume of imports. The following is a comparison for each of the first three quarters of the current year, and for the last month:

Customs Received at New York from January 1.

	1871.	1872.	1873.
First quarter	$39,573,967 50	$42,124,009 14	$35,758,538 97
Second quarter	34,118,140 43	31,698,700 62	26,222,977 68
Third quarter	44,601,688 84	39,860,443 97	33,991,737 39
In October	12,066,671 28	10,655,390 80	7,656,384 95
Ten months	$130,360,468 05	$124,338,544 53	$103,629,638 99

The export trade is in a better condition, the shipments from this port, at present, being very heavy for the European markets, where our grain and provisions are in active demand:

Exports from New York to Foreign Ports for Ten Months from January 1.

	1871.	1872.	1873.
Domestic produce	$188,170,453	$182,476,854	$237,366,385
Foreign free goods	1,011,954	1,256,003	1,721,948
do. dutiable	6,479,259	8,059,904	7,410,440
Specie and bullion	59,706,815	63,111,513	43,666,548
Total exports	$255,368,481	$254,904,274	$290,165,321
do. exclusive of specie	195,661,666	191,792,761	246,498,773

The current values of bank shares are seriously disturbed in the market by the recent revulsion, the profits of the banks being somewhat diminished by losses. The late frauds in the Ocean National, the Atlantic National, the Mercantile National, and others, should convince bank directors that closer suporvision and management are neeessary on their part.

The Clearing House, N. Y., will hereafter report their weekly condition as formerly. The figures, as given out, are as follows, compared with the weekly averages, Saturday, Sept. 13, *the week before the panic set in.*

	Sept. 13.	Nov. 22.
Loans	$284,536,000	$248,067,000
Gold	20,442,000	17,568,000
Greenbacks	36,717,000	30,899,000
Deposits	207,317,000	167,967,000
Circulation	27,383,000	27,299,000

Looking back to the movement this week a year ago, (Nov. 23, 1872,) the Banks now hold $ 15,000,000 *less* in greenbacks, and $ 5,400,000 *more* in gold notes, and owe $ 32,000,000 *less* on deposits and country bank balances. The changes during the ten weeks of the panic are more notable, if we can trust the informal reports of the minimums of deposits, $ 143,000,000.

We hear indirectly that the legal-tender volume at New York is increasing. We hope the banks will pursue a steady course in 1874, and in future years, towards a restoration and maintenance of legal tenders until they approach the volume reported in the years 1867–68.

We refer our readers to the comparative table of dividends payable by the Philadelphia banks in our present number. While their deposits and circulation are about one-sixth of those of the New York banks, the former maintained in the last three or four years a stronger per-centage in their cash reserve.

The banks of Boston have made their weekly exhibits without interruption and show but little reduction in their operations. We annex the summary for the year 1873, compared with former years.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$ 94,969,249	$ 1,466,246	$ 15,543,169	$ 24,696,559	$ 40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765.347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152.159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8	112 164.800	2,740,100	9,471,800	24,877,000	48,875,500

The deposits (after this date) include the amount due to other banks.

Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3	125.088,700	2,253,300	11,507,300	25,485,800	77,272.500
Mar. 3	124.390,400	1,015,100	11,185,600	25,457,500	74,833,700
April 7	120,001,600	922,600	8,939,300	25,519,400	64,623,200
May 5	117,501,100	1,401,100	9,191,600	25,625,700	65,809,400
June 2	117,959,600	1,269,200	11,406,800	25,445,100	69.422,860
July 7	122,947,000	1,935,400	11,267,600	25,487,700	73,218.900
Aug. 4	123,617,400	1,536,000	10,955,600	25,550,000	71,110,300
Sept. 1	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Oct. 6	119,468,000	1,363,400	8,308,100	25,948,400	55,913,400
" 14	120,327,300	1,608,000	9,003,200	26,061,500	56,950,600
" 20	120,197,000	1,729,900	7,850,900	26,090,100	57,654,600
" 27	120,559,900	1,809,900	8,528,300	26,099,300	57,933,300
Nov. 3,	119,788,400	1,849,400	9,045,400	26,139,100	59,399,200
" 10	120,090,700	2,144,300	9,429,200	26,162,100	61,435,000
" 17	120,461,000	2,410,200	9,644,800	25,749,100	62,330,000

The dividends recently declared by the Boston banks, (see pp. 337-338, November number,) show that these institutions have been wisely and profitably managed. They now require a restoration of their legal reserve of fifteen millions, as in 1868, (or twenty millions would be better), in order to meet our advanced condition of trade and to sustain them against another sudden panic.

The following are current quotations for city bank shares:

	Offered.	*Asked.*
New York	108	.... ..
Manhattan	138½	.... ..
Merchants'	101	 114
Mechanics'	..	 135
Union	125	.... ..
America	130	.... ..
City	200	 300
Phenix	85	.... ..
North River	79⅞	.... ..
Fulton	125	.... ..
Greenwich	205	 220
Butchers and Drovers'	..	 150
Mechanics and Traders'	..	 135
Gallatin National	118	.... ..
Merchants' Exchange	..	 90
State of New York	100	 108
Commerce	111	 111

	Offered.	*Asked.*
Mechanics' Banking Ass'n.	..	 96
American Exchange	100	.... 102½
Metropolitan	113¼	 115
Grocers'	..	 110
Market	110	 123
Corn Exchange	110	 130
Continental	..	 70
St. Nicholas	..	 100
Importers and Traders'	160	.... ..
Park	120	 120
Manuf. and Merchants'	..	 100
New York National Exch.	..	 90
Central National	55	 60
Fourth National	90	 92
Ninth National	90	.... ..
Tenth National	..	 65
German-American	86	 89

For State loans the speculative demand has ceased. Old Tennessees closed 70¾ *a* 71⅛, and New 70 *a* 71, with sales at 71. Old Virginias are 35 to 40; New 35 bid, Consols 50 *a* 52, and Deferred 8⅛ bid. Old North Carolinas are quoted 21 to 25, old South Carolinas 20 bid, new January and July 8⅛ to 10, April offering at 18. Plain Sixes of Missouri sold at 86⅛, new offering at 87. St. Joseph issue being 83 to 84 (sales).

For investment, the following are the brokers' quotations:

	Offered.	*Asked.*
Tennessee 6s, old	70	 71
Tennessee 6s, new	69½	 71
Virginia 6s, old	35	 40
Virginia 6s, new	35	.... —
Virginia 6s, Consol. Bonds	50	 52
Virginia 6s, Def. Bonds	8½	.... —
North Carolina 6s, old	21	 25
North Carolina R. Co. Coupon	33	.... —
North Carolina R. R., Ex. Cou.	22	.... —
North Carolina F. A., 1866	—	 24
South Carolina 6s,	20	.... —
South Carolina 6s, Jan. & July	8½	 10
South Carolina 6s, Apr. & Oct.	—	 18
South Carolina, F. A., 1866	10	.... —
South Carolina 7s, of 1888	—	 20
Missouri 6s	86	 87
Missouri 6s, H. & St. Jo. Iss.	83	 84
Missouri 6s, Asy. or Uni.	—	 84
Louisiana 6s,	—	 48
Louisiana 6s, new bonds	—	 45
California 7s	102	.... —
Connecticut 6s	100	.... —
Rhode Island 6s	99	.... —
Alabama 8s, 1892	—	 55

	Offered.	*Asked.*
Ark. 7s, L. R. & Ft. S. is.	16	.... —
Arkansas 7s, M. & L. R.	16	.... —
Ark. 7s, L. R. P. B. & N. O.	16	.... —
Ark. 7s, M. O. & R. R	16	.... —
Arkansas 7s, A. C. R.	16	.... —
Texas 10s, 1876	80	.... —
Ohio 6s, 1881	99	.... —
Ohio 6s, 1886	99	.... —
Kentucky 6s	96	.... —
Illinois coupon 6s, 1877	85	.... —
Illinois coupon 6s, 1879	85	.... —
Illinois War Loan	90	.... —
Indiana 5s,	102	.... —
Michigan 6s, 1878-1879	85	 100
Michigan 6s, 1883	85	.... —
New York Reg. Boun. Loan	103¾	 104
N. Y. Coupon Bounty Loan	103½	.... —
N. Y. 6s, Canal Loan, 1874	107	.... —
N. Y. 6s, Canal Loan, 1875	106	.... —
N. Y. 6s, Canal Loan, 1877	106	 110
N. Y. 6s, Canal Loan, 1878	106	.... —
N. Y. 5s, Canal Loan, 1874	107	.... —
N. Y. 6s, Canal Loan, g'd '87	111	 113

The following are the brokers' quotations for miscellaneous coins:

American silver, large, 94 *a* 96; American silver, small, 93 *a* 96; Mexican dollars, 97 *a* 99; English silver, 470 *a* 485; Five francs, 90 *a* 92; Thalers, 68 *a* 70; English sovereigns, 485 *a* 488; Twenty francs, 386 *a* 390; Spanish doubloons, 15.50 *a* 16.00; Mexican doubloons, 15.50 *a* 15.65.

The Bank of England after having advanced the rate of discount to nine per cent has now reduced it to eight.

Gold is still coming from England, the market here showing a premium of 9¼ *a* 10¼ this month. The following table represents the movement for the year 1878.

Premium on Gold.

1873.	Opening.	Highest.	Lowest.	Closing.
January	12⅛	14¼	11⅝	13⅜
February	13½	15⅛	12⅞	14⅝
March	14¾	18½	14⅝	17½
April	17¼	19½	16¾	17¼
May	17¼	18⅝	16⅝	18⅛
June	17⅞	18¼	15	15½
July	15⅜	16⅜	15	15⅝
August	15⅝	16¼	14⅜	15⅜
September	15½	16⅛	10⅞	11½
October	11⅛	11¼	7⅝	8¼
Nov. 1	8⅛	8¾	8⅛	8¼
" 3	8¼	8¼	7½	7⅝
" 4	Holiday—no Board session.			
" 5	7⅝	7⅝	6⅞	7⅛
" 6	6⅞	7	6⅛	6½
" 7	6⅝	7½	6¼	7½
" 8	7¼	7⅞	7	7½
" 10	7¼	7¾	7¼	7⅝
" 11	7⅛	7⅝	7¼	7½
" 12	7⅜	7½	7	7⅜
" 13	7⅜	8¼	7⅜	8
" 14	8¼	9⅞	8¼	9⅜
" 15	9¾	10	8⅞	9⅜
" 17	9½	9⅞	9¼	9½
" 18	9⅛	10¼	9¼	9¾

DEATH.

At Elmira, N. Y., on Monday, November 17th, aged eighty years, John Arnot, President of the Chemung Canal Bank from the year 1841 'till his death.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

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STATESMANSHIP WANTED.

No one doubts now, that our financial policy has been a mistake, and all agree that there must be reform. The reduction of three or four thousand millions of dollars in the price of our property, while the amount of our obligations remains unchanged, is a stern fact, which cannot be overlooked. The reduction of wages, or cessation of employment entirely, while there are bills to pay for rent, and other expenses, compels the working-men and women to think; and they may also, unless there is some relief found, feel called upon to act, and perhaps act unreasonably. The merchants have stocks of goods which they cannot sell, though their notes are falling due all the same.

The reflex action of this state of things is felt in the diminished revenues of the government, and we are told that to make up the deficiencies, there must be an additional issue of irredeemable, non-interest-bearing notes, or further inflation of the currency (so-called) which we have so long attempted to have withdrawn entirely.

Who shall say then, that we do not need reform? that we do not need statesmanship, and not partisanship? The existence of the evil is admitted. Let us as the first step, ascertain what is its origin.

By one class of persons we are told that all our troubles are caused by an inflated currency, and that there must be contraction. It is confidently asserted that the amount of paper in the form of bank notes or legal tenders, required for each inhabitant, can be de-

termined, and ENGLAND is set up as the standard. But, we are not told that in consequence of the want of small notes, such as are used here, there is constantly circulated in ENGLAND, small private checks as currency, to the extent of more than one thousand millions of dollars, and the advocates of contraction also lose sight of the fact, that the growth of the country, the increase in production, and our abnormally high prices, all require as a matter of mere convenience, a much larger volume of bank notes than was formerly needed. It will sooner or later be discovered, that it is not the quantity of notes in circulation with which we have to do, but the quality, or exchangeable power, and that these persons who make so much noise about contraction have mistaken cause for effect, and must look further.

Another class of advisers assume that speculators are at the foundation of all the trouble, and that Congress should be invoked to punish all such. It does not, however, appear just where speculation begins, or ends, and we may safely place that question with inflation, among the effects of the cause, still undiscovered.

We next hear great complaint about the payment of interest on deposits in our banks, and it is seriously proposed to discontinue this practice as one of the great evils under which the country is suffering.

There are some things which cannot be done, and this is one of that kind.

Let us suppose for example, that the country bank has deposited funds in the city, anticipating drafts to be made subsequently. Is not interest justifiable in this case? Or suppose the treasurer of a State is authorised on prepayment of a tax, to discount a certain sum as a consideration. Is not that legitimate?

Of course, no one will deny that there may be, under any system of banking and currency, deposits loaned in such a manner as to lead to difficulties in individual cases. But, to suppose the payment of interest on deposits in the banks is the cause of our disorder, is mistaking again cause for effect; for it will be found that the tendency of funds to flow unduly to the large trade centres, and there be lent on-call, for speculative purposes, is the simple, natural result of a system, which for nearly twelve years has made it impossible to calculate with any certainty the result of transactions requiring time for maturity, and thus tempted all who could, to keep their means well in hand to be ready for use at some new turn of the financial wheel at Washington.

THE TRUE CAUSE.

If a person of ordinary intelligence should be asked what would be the effect of the issue by a corporation, or individual, of notes not bearing interest, and having no fixed date for payment, he would reply, without hesitation, that their value, when offered in exchange for labor or its products, would be very small, and that certainly they

ought not to be forced upon those who had claims payable in real money or its equivalent.

The use of any paper or currency which has not the same purchasing power as real money, tends to inflate prices, and thus defrauds all who are creditors, while the debtor gains in the same proportion. The consequence is, that a new and inexperienced class of men become rich and powerful; and the older, more prudent and responsible persons are thrust aside. Extravagance prevails, new enterprises are undertaken, and everything seems so prosperous that the idea of revulsion and retribution finds no place in our calculations. We are told that the country was never so prosperous—that a public debt is a public blessing, and that we have in the form of an irredeemable non-interest-bearing debt the best currency in the world. In time, however, the consequences predicted by Mr. MERRILL and other intelligent men in Congress, and by many among our merchants and bankers, were realized. The simple truth is, that the passage of the legal-tender act was unnecessary, unwise, unjust and unconstitutional, and it could never have been recommended as a financial measure, but for the mistaken notion imported from the democratic party, that the Government must have something of its own creation, which it could use as money, and that its revenues must be kept in depositories different from those employed by the people at large.

To carry on the war, in which we unexpectedly found ourselves engaged, we needed men, and the products of their labor, and for these we had nothing to offer but a debt. We had no money, and we needed none. It was not necessary to use gold, nor even bank notes, except as had been done previously for mere small change, which is their only and true service.

Instead of money, or currency, in the form of legal tenders or bank notes without interest, there should have been notes with interest, compounded each six months, payable at the end of three years, or, if preferred, convertible into larger notes, on longer time, and more favorable terms for the Government. Such notes would have purchased our supplies for the war at specie prices, and then rapidly disappeared as investments, funding themselves without the aid of JAY COOKE and his expensive machinery, or the employment of any other syndicates, domestic or foreign. We are fairly entitled to charge against this measure that it was unnecessary, and, therefore, that it was unwise. And we charge that it was grossly unjust, not only to those who were then creditors, and defrauded in many cases of more than half the value of their claims, but equally to those who subsequently must create the capital to pay the debt increased fifty per cent. in its amount by our false legislation.

Our legal tenders during eight years ending with 1868, were worth only about seventy cents upon an average, and for a long period much less than that. Prices were unduly enhanced, and posterity is made to pay heavily for what has never been received. It is not just for any Government to adopt measures which defraud one class of persons for the benefit of another; and this having been done by the

passage of our legal-tender act, we shall find that history will declare it to have been unconstitutional.

But we need not wait for history, as the constitution now declares that no individual State shall enact laws tending to impair the validity of contracts, and it is not easy to see how any person can advocate or excuse a wrong in the larger power, which is forbidden to the smaller.

That existing contracts were violated cannot be denied, and therefore we say, without fear of final contradiction, that the act was unconstitutional, and that it was not even necessary.

What Shall be Done with the Legal-Tender Act?

To this question there is but one answer, and that is, repeal. It is a disgrace to our civilization that we should persist in keeping upon our books a statute which not only defrauded all who were creditors, or who subsisted upon salaries, or fixed incomes at the date of its passage, but which renders it quite impossible to carry on any legitimate business safely; because every contract to pay money in future is liable to be changed in its terms by the mere nod or wink of a person in official position, who, while he may claim to be honest, has certainly no right to boast of superior intelligence on financial subjects.

It is quite time that the word dollar should have a distinct signification, and that its true relation to the commonly-accepted money standard should not be changed daily, or, it may be, hourly, to suit the interest or whim of any single individual, or of any class of persons who may prefer uncertainty as the most advantageous for them, as the chances at the gaming table are for the banker. We cannot afford in this country, where so much of our business depends upon the action of those with small capital to increase their difficulty by rendering the result of their engagements uncertain, as we do, by permitting any change in any of our standards without providing for all existing obligations.

To repeal the legal-tender act unconditionally would compel all those who now owe debts worth ninety in gold to pay them at par; or, what is the same thing in effect, reduce the price of their assets to the specie standard, and thus destroy, without any consideration, all the margin they might otherwise possess.

And it must be distinctly understood that all the efforts made to raise the legal tenders to par with gold have precisely this purpose and effect, and are therefore not just to the debtors, who, if not "meritorious," are at least very numerous, and will hereafter make their power felt to some purpose, unless there is a valid change in our policy.

It is their interest which proposes a further issue of legal tenders, or irredeemable debt as currency, in the hope that prices may be inflated, and their debts paid with less effort; and the signs indicate

a possibility that they may succeed, and all the progress hitherto made be lost.

On the other hand, the capitalists, or all those who have more due than they owe to others, desire very much to increase the value of the paper now in use, and bring it gradually up to gold, so that the dollar they receive shall be constantly more powerful, or purchase more commodities. Neither of these opposing parties seeks justice, and that we will try to find for them, and at the same time show how to resume.

Early Equitable Resumption.

In order to insure an immediate, equitable, safe, and permanent return to the specie standard, so that all paper shall purchase and pay like gold, we have but to repeal the legal-tender act, with provision that all obligations for the payment of money then existing, shall be commuted into their equivalents in specie, so that neither the debtor nor creditor, shall be wronged by the change, as the former would be without such provision.

But, it is said that dollars have been promised, and that the number originally named must be paid without any regard to the addition made to their value. To this, it is fairly objected, that one party to a contract has not the right to change its terms without consent of the other, and that raising the value of the paper dollar to that of gold, is an act of that kind and cannot be permitted.

For illustration, let us suppose that England should increase the value of the pound sterling ten per cent, and ask us to pay our bonds by the higher valuation.

Massachusetts has sixteen millions of dollars in such bonds outstanding, and other States, and corporations, are also largely interested. Is it likely that we shall agree to such a change, or consider it obligatory upon us? Of course not. Then, why attempt to do what others should not?

Let us admit, as we must sooner or later, that the passage of the legal-tender act, violating all the money contracts then existing, was a mistake, and correct the error at the earliest possible moment by repeal, and a withdrawal of all the notes issued under its provisions, by placing them on liberal compound, gold interest as should have been done originally, so that they may be desirable as investments, and disappear as currency altogether.

And we should at the same time make an equitable arrangement for assuming the redemption of the National bank notes, and place these with the legal tenders, also on interest as a debt. They are nothing but a debt, while all currency is, or should be, the representative of and title to undescribed merchandise, or commodities, and act as deeds, shares of stock and bonds do for real estate.

Currency should be as much a deed of real property transferred by its use as any paper can be, which passes the title to real estate, and if this could be understood as it ought, there would be much

less confusion and disagreement in our treatment of these questions.

It is, however, sufficient to observe now, that no paper which cannot be converted at will into that which is equal to specie in purchasing power, ought ever to be called currency.

How Shall a Currency be Obtained?

Daniel Webster in one of his business speeches, said "currency consists of all those things with which we effect our commercial transactions." He did not confine the term currency to bank notes, or paper of that character, but included checks, drafts, bills of exchange, and all other forms, which entitle the holder to immediate possession of what he wishes to purchase, upon the same terms he could have with money itself.

He did not consider bank notes as money. They have no more power, nor have they any more value than the check issued by the same parties. They can in fact, be dispensed with altogether, and checks payable at the Clearing Houses substituted for any and all sums which we desire to represent. The check, or the note, transfers the title to property from the broker to him who receives it; and if a note on time is given in exchange, it is neither more nor less than a mortgage, promising at a future date to return the same property or its equivalent. The broker does not lend money, but merchandise, and he does not receive interest, but rent. The paper issued by him, is simply *orders for goods.*

Taking this view of the currency question, it will be asked what the Government has to do with it, and why there should be so much discussion and disturbance in relation to it. The reply is, that properly the Government has no more concern with the way we lend our property than with its sale or purchase.

It is quite time that the impertinent interference of what is called Government with strictly private affairs should come to an end, and people be left to create, purchase, sell or consume whatever they please, and in their own modes, so long as the rights of others, and the public peace, are not endangered.

We insist that among other inalienable rights is that of the broker, or any other person, to lend to whom he pleases his right to any kind of property, and to accept as consideration any sum that may be agreed upon. No one would submit to interference in regard to the rent of the store, and it is not apparent that the loan of the merchandise in it is to be treated differently. The fact is, that there are but two kinds of property, and the right to lend the one and receive rent is just as good as the right to lend or sell the other.

How Bank Notes may be Obtained.

Although it has been said that no legislation can properly prevent the issue of notes, or checks, for any and all desirable sums, it is still admitted that the notes we have been accustomed to are a con-

venience, and that it is desirable to secure the issue of the right quantity to be used as small change in connection with the larger forms of currency with which more than ninety-five per cent. of all our commercial transactions are effected.

And our object can be legitimately accomplished by providing that the agents of the Government will accept only such as have been prepared by its officers, and entrusted for circulation to those who can deposit as guaranty for their fidelity an amount of valuable securities sufficient to make it safe for all persons, including Government agents, to receive the notes in place of specie, so that the latter may be dispensed with altogether, except as our money standard.

And the securities lodged, should be in addition to, and not part of, the working capital of the broker, as that and his deposits should be invested in purely business paper, which will mature at the right time and place to meet all his own obligations promptly.

And there should be paid into the Treasury by the banker an equitable proportion of the profit on the circulation, leaving a sum sufficient to compensate for all his expenses and risk, but not enough to tempt him to over-issue. We do not desire to encourage over-issues, or have any failure to redeem the notes whenever presented at the Clearing Houses, toward which they flow, as the natural commercial centres, and where they are most valuable to the holder. We want no notes in circulation which are not equal to specie everywhere, and it is believed that what has been offered is the best plan yet proposed to secure just the right quantity of just the right kind, without any interference with private rights, or possible risk of loss on the part of the Government or others.

On the contrary, a large income would accrue from the profit on the circulation, and this, with the growing business of the country, would, ere long, supply a fund quite sufficient to pay off all we desire to cancel of the public debt, leaving, it may be, a portion in the form of consols at a low rate of interest, payable quarterly, to those wanting permanent investments.

Public debt in this form, not payable, but purchasable in the market with funds lying idle, at any time, on deposit, would not only accommodate a large class of investors with desirable securities, but serve for use by the bankers acting as our agents in supplying notes for circulation. And it is not unlikely that the profit they could afford to pay for the use of the notes would be equal to that on the bonds, and thus practically reduce our debt to the extent of the consols created. At any rate, however, it is important to insist that all which the banker places in the hands of the Government as guaranty for his fidelity should be in addition to his working capital. It is not necessary that he should have Government bonds, for there is other property, the title to which would be equally good. Nor is it proper to consider that the deposited securities, whatever they may be, are the basis of the currency issued, as most persons suppose. Nor is specie the basis, for that is not sufficient in amount, nor does

the billholder or depositor desire it, so long as he can have funds equal to specie, when he desires to make his payments or purchases. The real basis of all currency must be the convertible property existing, and which all are willing to accept in consideration of their claims, because at specie prices it can always be exchanged for other things.

We shall be justified in dwelling longer upon this point, for there seems to be an almost universal apprehension in relation to it, especially among those who have been educated under the false conditions created by the passage of the legal-tender and the National bank acts.

It is to be distinctly understood that under a proper system of specie payments, all mature paper is payable in specie as much as the bank note; and further, that practically these notes are not payable on demand more than other paper, for they have (or at least should have), a pretty-well known circulation, without which they would not be issued.

No one supposes that the merchant must keep gold on hand proportioned to his liabilities. He knows when his notes mature, and is ready to respond with funds satisfactory to his creditor. The banker equally knows when his notes and checks will reach the Clearing House and require payment, and we may be quite certain that if he is under heavy bonds for failure to meet his obligations there, he will see to it that he has the means in hand, without any of our stupid legislation about reserves.

No two banks require the same amount of reserves, or are so identical in condition as to require the same management.

But, that all should redeem promptly in funds equal to specie at the Clearing House, is imperative, and must be done.

Truly National Free Banking.

It has already been said that the Government has no more right to interfere with the loan of merchandise by the banker than with its sale by the merchant. The latter delivers the property itself, while the former gives us that which will enable the holder to make his own choice, not only of the time and place of delivery, but of the kind of goods or property he will accept. Government, of course, is expected as the agent of the people to insist upon the fulfilment of all contracts made, but it is not by any means tolerable that any power should interfere with the making of the contract originally.

We insist, therefore, so far as banking or the lending of capital is concerned, there shall be no interference. If an individual or corporation holds the title to merchandise, and employs others to loan the same, it is not our business.

The stockholders place their means permanently in the hands of officers, or agents, and others also come temporarily and make deposits, either with or without conditions as may be mutually agreed, and both the capital and deposits are loaned, the first taking an uncer-

tain and generally larger dividend, and the other a fixed and smaller sum in the form of interest on deposits. Government has nothing to do with all this, and must confine its action solely to the question of notes, to be issued in the manner already named, subject only to the two simple, equitable conditions of prompt, par, central redemption, and the payment of a tax on the circulation. These conditions, if properly enforced, will not only supply us with exactly the right kind of bank notes, but they will absolutely control the creation of other paper or currency and prevent inflation, which cannot be possible so long as the bankers themselves are kept in check and compelled to be prudent. It is around them that all financial matters are centered, and, as they do, so must all others. We say, therefore, again and again, do not fail to insist upon central redemption as the only thing which can prevent inflation and consequent contraction and distress.

And when we say central redemption we cannot stop that with this country alone, but must insist upon it as universal, making all nations alike and fixing upon one point which shall act as the common centre or clearing house for the whole commercial world.

As Boston is for New England, and New York for our whole country, so is London at present for all nations, where all go and find communication with all others.

International Banking and Currency.

Although there is no hope that Congress can be induced to take up the subject of banking and currency, and act independent of the private interest of so many of its members, the time is rapidly approaching when it will be brought forward and adjusted in such a manner that the system will not need constant patching and repairs, for it will be founded upon truth, justice, and due regard for the interests of all parties. It will serve equally for all nations, and it will be adopted by all much sooner than to most persons now seems probable, and it is none too soon to consider it seriously.

It will of course be readily admitted that each bank is a centre around which a certain number of persons are grouped, and equally that all the banking institutions in a given locality find some point toward which their notes flow, and where it is desirable for the holder that they should be redeemed at par, as was done so long for New England in the City of Boston, under what was known as the Suffolk system; which, without legislation, if not in spite of it, gave us the best and at the same time the cheapest bank-note currency the world ever knew.

And it will be also admitted by all who have any real knowledge of the subject, that New York is to the whole country what Boston is to most of New England, as is proved by the fact that funds there have a wider, more general circulation than can be found elsewhere. But when we go a step further we find New York, like the large cities in other countries, subordinate to London, upon which a bill of exchange can be drawn, which will purchase and pay all over the

globe better than gold itself. And this cannot be said of any other place, and therefore, for the present, London is the great commercial centre or clearing house for the whole world.

It is true that many intelligent persons object to any such admission, and protest loudly against making our bonds payable abroad or in a currency foreign to our own. But these same persons would scout the idea of making them payable in a country town rather than Boston or New York, because they know very well, and are ready to admit, they would be less valuable.

The simple truth is that all commercial paper, whether for longer or shorter time, should be made payable at the largest centre which the circumstances permit, and therefore our bonds generally, like a majority of those issued by MASSACHUSETTS, should be payable in London, for we can then obtain our money on longer time and on more favorable terms.

And not only would we insist upon this, but that the central banking institution in each country, with its several branches in the larger cities, should redeem the notes at par in London, so that any paper, fit for discount, could be converted, without cost, into that which would purchase and pay everywhere, even better than gold.

Of course, before any such arrangement could be made, there must be international coinage, so that the pieces of money, or standards in common use, should have identical weight and fineness, and, consequently, the same commercial value everywhere. This, as will readily be seen, would very much simplify all our transactions, and with provision for international redemption, render the use of gold as currency quite unnecessary, though its importance as the standard, or measure of prices, would still remain. Gold, as every one knows, has, as a product of labor, a certain average cost, and is, at the same time, universally desired, and has therefore a universal purchasing power. It need not be coined or used representatively at all, but, as our money standard, it will be used as long as the word price exists.

CUSTODY OF THE PUBLIC MONEY.

Having provided for a system of banking sufficient for the business of all corporations and individuals in the country, and a legitimate supply of the right kind of notes for small change, we naturally claim the right to consider whether the machinery we have created is not sufficient for the Government as agent and servant of the people, as for the people themselves. Whether, in fact, there is any more necessity for especial financial instruments for the general Government than for MASSACHUSETTS, where, for more than sixty years, funds have been deposited in our banks, and checks drawn by the treasurer, without any delay in payment, or the loss of a single dollar.

The truth is, that our existing Sub-Treasury system is another importation from the old democratic party, which, after having destroyed the UNITED STATES BANK, and failed in the use of deposit

banks, was compelled, as a last resort, to pretend that there must be a public treasury system, and that all our revenues must be collected and disbursed in gold. If the intention had been originally to employ as many persons as possible to perform a useless service, the plan was a success. But, judged by the ordinary business standard, it is a lamentable failure.

All governments, corporations and individuals require the same instrumentalities, and there is no good reason why the Sub-Treasury should be continued a single day after the establishment of a true banking system, for it can be shown readily that not only could all the public revenues be kept safely, and promptly disbursed, without cost, but that a reasonable interest could be paid on the Government deposits, as has always been done in MASSACHUSETTS, where the treasurer for a long time has had five per cent. on his daily balances, and plenty of safe institutions ready to pay at that rate.

It is idle to say that there cannot be found in our large cities men who can give the most ample security for the safe keeping of our funds, and it is simply a fraud and imposition upon our people to keep up the sub-treasury system, or in any way incur expense to divorce the financial transactions of the Government from the business of the country at large. Let us have a return to the specie standard; a system of free banking; a redeemable currency; and then let the Government abandon the Sub-Treasury, and employ the same instruments which are found sufficient for all other parties.

INCONVERTIBLE PAPER.—Our inconvertible currency generates a class of speculators who thrive by preying upon the commerce, the industry, and the resources of the country. Their vocation is to unsettle values, and foment financial derangements. This sort of speculation, after luxuriating upon real and groundless panics and disasters of the war, which it used every bad and lying device to aggravate, reached its malign climax during peace, in the Black Friday made memorable in Wall street for a generation. But it is constantly felt now as a disturbing force, producing twinges and strictures of its own, which aggravate all other causes of financial disturbance in the country. Now, a return to the coin basis would make an end of this most mischievous, often nefarious occupation.

—*Scribner's Monthly Magazine*, Dec., 1873.

PROPOSED RESUMPTION.—There must be both the declaration of the purpose and *active measures to provide the means* to pay specie. Both these must go hand in hand. They will be mutually auxiliary. The very expectation that coin payments are to be resumed will promote that resumption, and facilitate approximation to it. Taking actual measures to provide the means for it will give the declared purpose to resume meaning and substantive force in the view of the people. Otherwise it will, as now, be nugatory.

—*Scribner's Monthly Magazine.*

THE NATIONAL BANK SYSTEM.

The Annual Report of the Comptroller of the Currency, for the year 1873, was communicated to Congress, under date 28th November. The report is unusually full of valuable and elaborate tabular statements, which will enable Congress to examine the subject closely, and to judge of the weakness and defects of the existing laws in reference to the currency.

The Comptroller alludes to the enormous estimates heretofore made by the community as to the profits on bank circulation. He says, (page 16):

"The profit upon the circulation of National banks, organized in the Southern and Western States during the past year, as will be shown more fully hereafter, did not much exceed one per cent. for the country banks, and was less than one-half per cent. in the redemption cities. Under such a condition of things, with so small a margin of profit to be derived from the issue of circulating notes, there would be little demand for circulation, and consequently but little danger in throwing the doors wide open for the issue of circulating notes to any association properly organized that might desire such circulation; but with the reduction of the value of the bonds, and the approximation of the value of the bank note to the value of specie, the profit would increase, and with the increase of profit the demand for the issue of additional bank notes would also increase; so that under such a system the issue of bank notes would have a continual tendency to lessen the value of the paper dollar, and prevent its approximation to the value of the gold dollar, and all ideas of specie payment might forever be abandoned."

Upon the subject of a banking reserve the Comptroller successfully controverts a current idea that the government has no right to interfere with the reserve of banking institutions, and that the latter are the only proper parties to control the matter, History tells us (especially in 1837, and 1857, and 1873) that the banks are not competent of themselves to adjust this reserve. There is a constant tendency among banks to loan beyond a proper per centage as to capital and means. A check is desirable—we may say actually necessary —to prevent this over-trading. The public look to the law to create a strong check upon our issues and upon excess of credit. The public, on the faith of the law, and faith as to the wisdom of Congress, put their money into the banks; and cannot avoid it. Thus a check upon excess is needed. Upon this subject the Comptroller says, (page 17):

"The advocates of a free banking law are also advocates of the repeal of the chief restrictions of the National currency act, and par-

ticularly of the provision which requires the keeping of a certain amount of money as reserve against liabilities. They claim that the directors and managers of the banks, and not the legislature which enacts the law, or the officer who executes it, are the best judges of the amount of money to be loaned, and the amount to be held on hand for the protection of their creditors; that the Government should be careful to protect the bill-holder from loss, but the depositor or other creditor may safely be allowed to protect himself. They further maintain that such laws prevent the banks from extending accommodations to legitimate business interests, which, consequently suffer on account of the lack of such accommodations. In some instances this may be true, but such laws are passed, not so much for the benefit of those persons who conduct their business on sound principles as for that class or association of persons which has but little experience in the method of transacting a legitimate business. If the law be correct in principle, it will be found not to interfere with the rights of those persons who understand the true theory of business, but its tendency will be to prevent abuses on the part of those who would otherwise' take risks, which a prudent and careful man would avoid."

The lamentable condition of affairs of September and October, 1873, is fully described in the Comptroller's Report, with ample reference to the causes and effects. He might have added with truth that it takes about a month to create a panic; but many years are required to get over its ill effects. There is yet an untold history of the disorganization and demoralization which precede a panic; and of the losses and distresses, the poverty and troubles, which follow a panic. As we have said before, by way of comparison, it takes but one minute to knock a man down, and to destroy his physical strength for the time being; it takes months (sometimes years) to rebuild his physique. The Comptroller properly alludes to one vast evil on banking, viz: call loans. He says:

"The 'call loans' (of New York City banks) amounting to more than sixty millions of dollars, upon which the banks relied to place themselves in funds in such an emergency, were entirely unavailable; because the means of the borrowers, upon the realization of which they depended to repay their loans were, to a great extent, pledged with the banks. These collaterals could in ordinary times have been sold, but at that moment no market could be found except at ruinous sacrifices. Had there been a market, the payments would have been made in checks upon the associated banks, which would not have added to the general supply of cash."

The evil of loans on stocks is incalculable. They inflate prices to an unreasonable sum and jeopardize the whole commercial and financial system.

The following table, exhibiting the condition of the banks in New York City, in the month of October, for four years past, has been prepared for purposes of comparison with the statement of September 12 of the present year, which is also given :

Resources.	*Oct.* 9, 1869. 54 *banks.*	*Oct.* 8, 1870. 54 *banks.*	*Oct.* 2, 1871. 54 *banks.*	*Oct.* 3, 1872. 50 *banks.*	*Sept.* 12, 1873. 48 *banks.*
Loans on U. S. bonds....	$9,414,376	$9,012,964	$5,661,498	$3,180,738	$2,938,875
Other stocks, bonds, &c..	48,650,888	53,809,602	70,185,331	53,409,624	57,916,130
Loans, gold..............	——	——	——	3,411,738	4,381,571
Loans, all other..........	100,237,639	105,146,590	122,806,969	123,183,624	133,924,310
Overdrafts..............	241,054	112,928	215,166	225,675	182,459
Bonds for circulation.....	41,762,450	40,856,550	38,337,600	34,312,100	33,870,100
Bonds for deposits.......	1,474,000	700,000	4,569,000	1,066,750	650,000
U. S. bonds on hand......	5,011,500	6,569,750	5,684,050	4,310,700	3,332,400
Other stocks and bonds...	6,514,988	6,990,261	5,949,250	4,400,397	4,552,797
Due by National banks..	13,952,536	12,617,724	15,342,721	13,225,611	15,740,765
Due by State banks......	1,806,730	2,472,529	3,173,841	3,232,205	2,077,296
Real Estate.............	7,422,039	7,831,189	8,034,205	8,061,352	8,469,984
Current expenses........	1,103,007	1,282,525	1,250,116	1,117,471	905,622
Premiums paid.........	805,508	921,615	1,232,601	804,339	766,179
Cash items..............	3,487,581	2,330,751	2,7[illegible]5,929	3,649,474	2,058,769
Clearing House..........	78,555,991	66,527,335	75,858,034	89,971,391	67,897,740
National bank notes......	1,755,346	2,691,519	1,833,474	2,724,791	2,618,583
Fractional currency......	611,751	331,076	294,857	293,901	338,394
Coin....................	1,792,740	1,607,742	1,121,869	920,767	1,063,200
Gold Treasury notes.....	16,897,900	7,533,900	7,590,260	5,454,580	13,522,610
Legal-tender notes.......	21,070,062	17,648,577	32,044,183	27,004,485	21,468,530
Three per cents..........	12,050,000	11,140,000	500,000	575,000	——
U. S. certificates.........	——	——	——	5,855,000	10,810,000
C. H. certificates.........	15,945,000	17,015,000	17,895,000	5,585,000	——
	$390,563,093	$375,152,133	$422,345,958	$395,976,719	$389,486,310
Liabilities.					
Capital stock............	$73,218,100	$73,435,000	$73,235,000	$71,285,000	$70,235,000
Surplus fund............	17,768,667	18,835,099	19,468,615	20,878,877	21,923,211
Undivided profits........	10,964,277	10,039,181	10,388,683	11,049,162	11,210,470
National bank circulation	34,683,075	32,915,080	30,632,976	28,070,951	27,482,342
State bank circulation....	243,974	235,959	226,479	189,575	146,525
Dividends, unpaid.......	——	236,860	265,569	261,830	205,979
Individual dep'ts, cur'cy.	136,660,848	127,991,339	141,091,424	117,749,902	111,463,264
Do. gold..	——	——	——	6,170,566	12,101,731
Certified checks.........	52,580,265	37,689,570	44,679,638	63,827,794	42,695,185
Cashiers' checks.........	1,282,332	1,329,457	891,358	778,729	1,252,481
United States deposits...	253,692	241,961	4,073,218	238,092	296,877
Dep'ts U. S. disb'g officers	——	——	——	3,213	40,297
Due other National banks	50,005,913	55,947,455	76,701,443	60,580,921	72,257,769
Due State banks and b'krs	12,901,946	16,225,168	20,630,052	14,852,279	18,113,050
Notes and bills redis'ted..	——	——	61,500	——	——
Bills payable............	——	——	——	39,825	62,125
Total............	$390,563,093	$375,152,133	$422,345,958	$395,976,719	$389,486,310

The Comptroller alludes to the evils arising from payment of interest on deposits. This latter policy was the cause of the panic of 1857. It was also one of the principal causes of the revulsion of 1873. But we must bear in mind that it is not the use of the system which causes trouble, *it is the abuse.* Furthermore, capitalists will not enter the banking business without the advantages arising from the use of deposits, and competition will naturally induce better offers for deposits, and upon more compensating terms. If the National banks are strictly forbidden to pay interest on deposits, the most profitable branch of their business would revert to private bankers, who, having no comptroller above them, would gladly avail themselves of all individual deposits. Upon this subject the Comptroller says:

"In my last annual report I referred briefly to the evils resulting from the payment of interest upon deposits, and my predecessors have frequently referred more at length to the same subject. The difficulty has been that the proposed legislation by Congress upon the subject would apply only to the National banks. The effect of

such legislation would be to bring State banks and Savings banks, organized by authority of the different States, in direct competition with the National banks in securing the accounts of correspondents and dealers; the National banks would be desirous of retaining their business, and the more unscrupulous would not hesitate to evade the law by offering to make collections throughout the country free of charge, to buy and sell stocks without commission, and to re-discount paper at low rates. The proposed action of the Clearing House in the City of New York, if adopted by the Clearing Houses of the principal cities of the Union, would do more to prevent the payment of interest on deposits than any Congressional enactment. But the evils resulting from the payment of interest upon deposits are by no means confined to the city banks. It may be safely said that this custom, which prevails in almost every city and village of the Union, has done more than any other to demoralize the business of banking."

The following table exhibits the amount of taxes collected by the U. S. Treasurer, annually, from the organization of the system to January 1, 1873:

Year.	*Circulation.*	*Deposits.*	*Capital.*	*Aggregate.*
1864	$287,740 45	$412,953 99	$55,631 63	$756,326 07
1865	1,371,170 52	2,106,480 74	316,829 01	3,794,480 27
1866	2,638,396 35	2,668,674 72	350,545 29	5,657,616 36
1867	2,934,685 63	2,518,780 65	314,899 42	5,768,365 70
1868	2,955,394 60	2,657,235 91	299,126 21	5,911,756 72
1869	2,956,168 02	2,525,571 87	349,147 97	5,830,887 86
1870	2,941,381 51	2,694,480 26	381,598 67	6,017,460 34
1871	3,092,797 56	3,027,767 58	385,247 07	6,505,812 21
1872	3,282,597 46	3,144,839 45	418,883 75	6,846,320 66
Totals	22,460,332 00	21,756,785 17	2,871,909 02	47,089,026 19

The Comptroller gives details as to the lamentable failures of eleven National banks during the late crisis. This is merely *the beginning* of the list. If we were to add the names of those that are crippled, and many that are compelled to wind up voluntarily after extraordinary losses of capital, the list would be appalling. Of the failures he says:—"Since the last annual report receivers have been appointed for eleven National banks, (seven of which failed during the late financial crisis,) as follows:

Name and Location.	*Appointment of Receiver.*	*Capital Stock.*	*Claims proved.*	*Dividends. Per ct.*	*Cash on hand.*
Scandinavian N. B., Chicago, Ill.	Dec. 12, 1872	$250,000	$240,810	25	$16,300
Wallkill N.B., Middletown, N.Y.	Dec. 31, 1872	175,000	152,588	75	15,302
Crescent City, N. B., N. O., La.	Mar. 18, 1873	500,000	*666,751	..	131,945
Atlantic N. B., New York	Apr. 28, 1873	300,000	521,526	55	109,030
First N. B. of Washington D.C.	Sept. 19, 1873	500,000	*1,655,795	30	..
N.B. of the Commonwealth, N.Y.	Sept. 22, 1873	750,000	*791,086	..	158,300
Merchants' N.B. Petersburg, Va.	Sept. 25, 1873	400,000	*1,002,346	..	12,787
First N. B. of Petersburg, Va.	Sept. 25, 1873	200,000	*178,618	..	8,922
First N. B. of Mansfield, Ohio	Oct. 18, 1873	100,000	*177,207	..	9,855
N. O. N. Bk'g Associat'n, La.	Oct. 28, 1873	600,000	*642,182	..	7,972
First N. B. of Carlisle, Pa.	Oct. 24, 1873	50,000	*68,960	..	1,814
Total	....	3,825,000	6,097,819	..	..

* Estimated amount of claims.

"The failure of all of these banks may be attributed to the criminal mismanagement of their officers, or to the neglect or violation of the act on the part of their directors. The officers of two of these banks have been arrested; one has been convicted, and the other is undergoing trial; while the president of the first bank which failed during the year left the country on the pretext of visiting some of the foreign shareholders of the bank for the purpose of inducing them to subscribe for additional stock, but did not, of course, return upon the announcement of the failure of the bank."

The Comptroller alludes to the Trust and Loan Companies which have grown up in late years, and now assume a large space in New York City, and in various cities of New England. Properly managed, these institutions are not only useful but necessary. They were intended as repositories for trust funds, for the accumulation of deposits to be loaned on mortgage, and for investments in government loans, in other words as SAVINGS BANKS on a large scale. Recently they have been converted into stock-jobbing concerns, apparently for the benefit of stock operators and in large sums; thereby defeating their original objects, and contributing to the demoralization of stock speculators. CALL LOANS are among the active causes of a panic, and bankers handle them at a great risk. The Comptroller's views are as follows:

"These companies are usually organized, by special State statutes, in the large cities Their capitals, deposits, and business are quite large in amount. Generally, if not always, they are not required to report to the State authorities, but under the orders of one or other of the courts. Some of these occur at long intervals, and are probably published in the newspapers; but even when so published they are by no means full, and furnish but little available information. For instance, one of the largest of these institutions has published but one report in the year, and that report contains only a statement of its assets, without any mention of the amount due to its depositors, or of any of its liabilities.

"The bank superintendent of NEW YORK, in reply to an inquiry in reference to these institutions, says (under date of 31st July, 1873): 'The trust companies of New York are peculiarly situated. Some are under the supervision of the bank department; some are under the control of the Comptroller of the State; but the great majority of them are under no sort of supervision. . . . This class of corporations (meaning the last described) has multiplied rapidly during the last few years. . . . I am not able to furnish a copy of the charter of any of these companies.' Some reports of such companies have been received, but the number is obviously so few in proportion to the whole that any attempted report of them for the whole country would be not only useless but possibly delusive, and for this reason they are now wholly omitted."

REFORM OF THE CURRENCY.

Read before the American Social Science Association, May, 1873.

BY JOSEPH S. ROPES, OF BOSTON, MASS.

A correct measure of value and a sound medium of exchange are among the first requisites of modern civilization. The theory of money and currency is essentially simple and intelligible, but its practical application has been so complicated and hindered by various causes, that the whole subject has become one of the most perplexing problems of the present time. I shall, therefore, make no apology for beginning with the most elementary statements.

1. Money, technically defined, is the measure of exchangeable value, as a yard is a measure of length, or a gallon of capacity. The form and material of all these measures may be various, but the one condition indispensable to each of them is, that they possess, in a fixed and definite degree, the quality which they profess to measure. A yard-stick must have a certain length, a gallon must have a definite capacity, and a pound a definite weight. So money must possess a definite exchangeable value of its own, or it cannot measure other values. In other words, it is the one commodity selected as the standard by which to appraise, compare, and exchange all other commodities. I need not inform you that, by the universal consent of modern civilized society, the commodity chosen for this purpose is the precious metal called gold; supplemented, to a certain but subordinate extent, by silver. The form of coins in which these metals circulate as money, and the government stamp which certifies their genuineness, are adopted for the convenience and protection of the public, but do not add to their intrinsic value.

2. Though money may always be used as a medium of exchange, a medium of exchange need not always itself be money. Sheep and oxen, corn or cotton, in short every kind of commodity, may answer this purpose, at least temporarily; especially in a rude community, or in any community during a temporary scarcity of money, as we ourselves experienced in the year 1857. But apart from such exceptional conditions, the only supplementary medium of exchange recognized by modern civilization is *credit* in various forms. It is obvious, for instance, that if my neighbor supplies my family with food, while I supply his family with clothing, and if the amount supplied by each is constantly equal in exchangeable value, no money need pass between us, though every transaction is as strictly measured by it as if it did. An exchange of receipts at the end of the week, month or year, is all that is needed. Supposing our mutual indebt-

edness unequal, the difference only will be paid in money; so that the mutual debts of hundreds or thousands of dollars may be settled by payment of ten or twenty dollars in money.

Suppose now that all the money of every member of the community were deposited in a single bank, or in the government treasury, and all payments made by giving orders on the bank or the treasury, or by certificates issued for convenience by the bank and the treasury themselves. It is evident that under these circumstances no money, or next to none, would circulate in the community, as nearly everybody would prefer the more light and convenient certificates and orders (let us call them notes and checks) to the heavy bags of coin. When a merchant or a banker had occasion to send money abroad, he would, of course, demand it at the bank or treasury in exchange for paper; but by far the greater part of the money deposited there would remain idle, being represented, for all practical purposes, by its paper substitutes in the hands and pockets of the people. Under these circumstances, it would evidently be possible and safe for the bank or the treasury to lend a large part of the money thus deposited, on good security and profitable conditions, to any foreign government or banker or merchant; and the whole of this coin might thus be exported, not only without the slightest injury to ourselves, but with manifest advantage; *provided, only,* that in no case there should fail to be coin on hand and in readiness to meet every demand against the bank or the treasury which could possibly be presented. In this state of things the medium of exchange might be almost exclusively paper; but the exchangeable value of all commodities and all transactions would continue to be measured by gold coin as strictly and accurately as if nothing but gold coin were in circulation. Otherwise, the smallest difference between the coin and its paper representative would cause the latter to be at once exchanged for the former.

Here then we have, in brief, the whole theory of money and currency. The one is the commodity inherently possessing, and employed to measure exchangeable value; the other consists of claims or promises redeemable in money, and circulating for convenience and economy in its place. To answer its purpose perfectly, this currency must be absolutely certain to be promptly redeemed on demand, and there must be an absolute conviction of this certainty in the community where it circulates. All beyond these fundamental conditions is mere matter of detail. We come now to consider the causes which have so complicated this apparently simple subject as to render possible the countless absurdities of theory and abuses of practice which have become almost inseparable from its discussion.

3. The first of these appears to be the very natural, but always dangerous union or combination of two things entirely distinct in their nature and opposite in their tendency—*currency and banking.* We have shown that the one great and indispensable requisite of a sound paper currency is, that it be absolutely certain of redemption on demand. The great object, therefore, of the managers of any in-

stitution whose sole purpose it is to provide a sound and convertible paper currency for the community, must be first to ascertain, and then with the most rigid exactness to observe, the limits necessary to maintain with the most absolute certainty its immediate convertibility into coin. On the other hand, none of us needs to be informed that the one object of banks and bankers is to make a profitable use of money, whether belonging to themselves or to others; and for this purpose to lend, on interest, the very largest amount of their credit, which they can, in their own opinion, reasonably hope to redeem on demand. And so long as human nature continues what it is, no one will be surprised to find that bank managers are liable to be sanguine in this respect. In fact it may be safely asserted that the manifold monetary crises, panics, and disasters of every kind, by which we have been so frequently visited, have been caused principally by an undue expansion of bank credit, leading to subsequent violent contraction, and occasionally to a suspension of specie payments. That the same tendency still continues is manifest from the fact that the one conservative clause of our National bank law, which provides for the maintenance of reserves in the bank vaults is more and more disregarded, its operation pronounced to be oppressive and intolerable, and its existence and continuation made the object of incessant and vehement attack. And that the ultimate consequences of this tendency, though postponed for a time, are neither averted nor diminished by the suspension of specie payments, may be safely inferred from the steady increase of speculation, the growing scarcity of currency, the frequent and spasmodic changes in the money market, and the unsatisfactory returns of legitimate business. The evil referred to is greatly aggravated by the total absence of union or concentration among the banks of our country. Each of them being, of course, anxious to employ its resources to the utmost, has no scruple in throwing responsibility upon its neighbors. One bank will lend every available dollar of its surplus to a broker at call, and when pressed will depend upon forcing from him the necessary funds, which, of course, can only come from some other bank, though the latter may have nothing to spare, and both may be compelled in the end to borrow from some more prudent or less reckless neighbor.

To make our illustration of the theory of paper currency as simple and intelligible as possible, we supposed all the money of the community to be deposited in a single bank or treasury; by which, accordingly, all those paper promises which circulate in the place of money would be issued and redeemed. The fact is, however, as we all know, that among us these promises are issued by some two thousand National banks scattered over the land, and managed with every possible variety of method, and amount or deficiency of skill and prudence. Under all these circumstances the fundamental principles of currency remain the same, but their practical application is often entirely disregarded and the abuse of credit has generated evils so frequent and so extensive as to cause many superficial observers to consider them as inseparable from any system of credit or paper currency which can be devised. It is scarcely necessary to

remark that a reserve of coin which would be ample to secure the currency concentrated in a single institution, might prove totally inadequate when dispersed among many hundreds, some of which might be overflowing with surplus funds, while others, less prudently managed, or less fortunately placed, might be constantly on the verge of insolvency and compelled by the slightest mischance to an actual suspension of specie payment.

4. Another difficulty in the way of maintaining a sound and convertible currency is found in the natural working of the instinct of self-preservation in great emergencies, causing and almost justifying the violation of all the rules of ordinary practice, which seem to interfere with public safety. Under a careless or imprudent system of banking or of mercantile business, the general expansion of credit, public and private, may become so great as to render liquidation impossible, without at least temporary insolvency. In other words, either the paper currency must for a time become irredeemable, or a vast number of debtors, who depend upon loans of currency to meet their obligations, must suspend payment and many of them be ruined. In such an emergency the paper currency of any commercial nation, whether issued by the government, whose revenue must depend largely on commercial prosperity, or by bank corporations, whose wealth or even solvency may be greatly affected by commercial disaster—in short, any paper currency whatever will probably become irredeemable, and may even be temporarily expanded on an irredeemable basis, with the tacit consent of the whole community, to enable debtors to meet their liabilities and bridge over their difficulties, which, without such a medium of exchange, might be impossible.

Instances of this kind are, doubtless, familiar to us all. During the French Revolution the Bank of England suspended specie payments for many years. The Bank of France has repeatedly done the same; and those of Russia, Austria and Italy, have never resumed payment in full. Our own experience in 1837, 1857, and 1862, need not here be described. Where the currency is controlled solely by the government, the exigency is usually caused by a state of war; when issued by bank corporations, suspension is generally the result of commercial revulsions. But that there need be no unavoidable necessity for it under any sound and well-managed system, is demonstrated by the perfect success by which specie payment was maintained by the Bank of England during the disastrous crisis of 1847 and 1866, as well as by our own experience in 1861. And that even a compulsory suspension of specie payment need not cause any material or permanent depreciation of the paper currency, or any other financial injury, is conclusively shown by our own experience in 1857, and by the triumphant recuperation of the French finances since the late destructive war.

5. Finally, a third, and, in our present condition, most dangerous and alarming hindrance to the establishment and maintenance of a sound convertible currency is found in the general ignorance which

pervades the community on this important subject, and which permits the most incorrect, unsound, and absurd theories and assertions to be continually advocated and maintained in the most public manner, with hardly an effort at refutation or rebuke. When a notorious member of Congress and party leader could publicly declare, and that without loss of credit or reputation, such as it was, that a dollar was whatever Congress chose to call a dollar, whether of paper, wood, or leather, what could be expected of his constituents or his colleagues? When members of the financial committees of Congress propose the adoption of measures of resumption so called, which could not be in operation three months without producing universal bankruptcy; when every thoughtful person who looks below the surface is stigmatized as a theorist, while the most ignorant and incompetent are lauded as "practical men," we may well ask ourselves whence is help to come? The press, which should be, and in many respects is, our greatest safeguard against abuses and injustice, is too often controlled by those whose interests are supposed to be against all reform. Accordingly, theory after theory is put forward to oppose, or conceal, or obscure the honest, naked, unpalatable truth. Causes are substituted for effects and effects for causes, or the existence of both causes and effects is audaciously denied. Propositions which are true only of a sound and convertible currency are unhesitatingly put forward as equally true of one that is irredeemable. Credit is confounded with capital, money with credit and debt with money. A medium of exchange is treated as equivalent to a measure of value; and the promise of a wealthy government, which it absolutely refuses to redeem, is asserted to be immeasurably superior to all other promises, however promptly and faithfully fulfilled. But I will not weary you with any further enumeration of the illogical, absurd, and dishonest nonsense, which is continually palmed off as financial wisdom upon our much-abused community.

6. We come now to consider, as briefly as possible, the present state of our National currency, its relation to the true standard of value, and the best method of restoring it to a sound and substantial basis.

About twelve years ago, before the late rebellion, the paper currency of the country was furnished by local banks incorporated by the respective States, and with a power of issuing paper promises practically unlimited except by the necessity of redemption in specie. Under these conditions, the whole circulating medium of the country over and above the specie reserves of the banks, consisted of barely $200,000,000, with the addition of gold and silver coin, which I should consider extravagantly estimated at $100,000,000 more. The deposits or book credits of the banks, which, as we have seen, form an available portion of the currency, more especially for mercantile exchanges and banking purposes, were of about equal amount, say from $250,000,000 to $300,000,000. The total amount of currency in every form, required and employed for all the exchanges of the community, with the largest liberty of issue, and

limited, as we have said, only by the necessity of redemption, the indispensable condition to the maintenance of its value, and consequently of its efficiency, did not exceed $ 600,000,000, or twenty dollars per head for a population of 30,000,000. We have no reason to think that the general conditions of the question have since changed, so as to render a larger proportion of currency to population necessary than before. On the contrary, all the information at our command, and especially the statistics of GREAT BRITAIN, lead us to believe that the improved machinery of civilization renders less and less currency necessary from year to year, in proportion to population. It would seem, therefore, that with our present population of about 40,000,000, an increase of one-third upon the currency of twelve years ago, say, not exceeding $ 400,000,000 of National Bank notes and legal tenders (over and above the reserves of the banks), and about the same amount of bank deposits or book credits, would be the utmost quantity of circulating medium which, with a population of 40,000,000, can now be maintained on a par with specie.

The actual currency of the country is, of course, far beyond this amount. It consists, as we know, of about $ 400,000,000 of legal tenders, including fractional currency and $ 300,000,000 (now increased to nearly $ 350,000,000) of National bank notes, making a total of nearly $ 750,000,000, or about $ 600,000,000 over and above the legal reserves of the banks. The amount of bank deposits, though fluctuating with the state of trade and speculation, has kept nearly even with this amount, and at the present time exceeds it, making a total of fully $ 1,200,000,000 available currency, or one-half more than we have any reason to think can be maintained at par with specie.

7. It is convenient at this point to notice for a moment an assertion frequently made to this effect, that it is impossible and absurd to estimate with any degree of exactness the amount of currency required by any people; that it must vary greatly with the condition of the people, the state of trade and speculation, the amount of wealth, etc.; that it is not the quantity but quality of the currency issued which makes it inconvertible; and that nothing but an increase of confidence is wanted to place the whole permanently on a par with specie. Above all, it is repeated and reiterated with much fervor, that we need, an "*elastic currency*," one which, like the fairy tent of the Arabian tale, will expand to shelter an army, or contract without effort to form a lady's bower.

Much of the above is indeed true, but none of it is in any way applicable to the question before us. We may, indeed, readily admit that the amount both of money and currency circulating in any country may, and indeed must, vary considerably from time to time; and it is, in fact, this power of varying its amount by the withdrawal from circulation of all that is superfluous, which constitutes its elasticity, a quality which, rightly defined, is of the highest importance, but which needs no legislation to secure it, so long as all currency is made redeemable in coin. Just as the exchangeable value of wheat or

flour will render its supply elastic, so as with unerring certainty to retain in the country what is needed for domestic consumption, and to send abroad the surplus, whatever may be the abundance or deficiency of the harvest; so the exchangeable value of money properly so-called, *i. e.*, of gold and silver coin, will ensure its being taken to the spot where it is most wanted, and remaining there till it is more wanted elsewhere. And just as speculative contracts in wheat or flour will be limited or expanded in proportion to the relative demand and supply of those commodities, so in a convertible currency the amount of bank notes and bank deposits will be enlarged or diminished, expanded or contracted in accordance with the exigencies of the money market. If a man has more money than he wants, he will speedily either loan the surplus or exchange it for other commodities for which he has more use. Should he again need more money than he has in possession, he will either recall a portion of what he has loaned, or part with some of his other commodities in exchange for money. So, when a nation has more money than is needed to measure and exchange its other commodities it will lend the surplus to other nations, as GREAT BRITAIN is continually doing, or it will use it in the purchase of foreign commodities. Should its supply of money become deficient, it will recall a portion of its foreign loans, or it will export more of its own productions, and import less from abroad, until the equilibrium is reestablished. This is the true elasticity of a currency based on specie, *i. e.*, on actual value, the only elasticity that deserves the name; all pretense to any other elasticity is a mere figment of the imagination. To illustrate the difference between the sham and the reality, we have only to contemplate the panic and disaster brought periodically and with ever-accumulating force upon the great commercial metropolis of our country, by the locking up of a few millions of irredeemable paper in a bank or treasury vault; and then to turn our eyes across the ocean, and witness the magnificent spectacle of a nation of smaller population, and wealth far inferior to our own, scarcely emerged from the terrific visitation of slaughter and defeat, but paying off in advance of treaty stipulations hundreds of millions of war indemnity in hard cash, with scarcely a ripple on the financial surface of EUROPE.

Since the permanent divorce of our currency from specie has become established, some statements which are substantially true of a convertible currency have been applied without hesitation to one that is irredeemable. It has been boldly asserted, for instance, that any excessive issue of bank notes is impossible, as these notes will always, when their function is expired, be returned in payment of loans to the bank which issued them. But those who make this utterly ridiculous assertion do not consider, and perhaps do not understand, that there can be no equilibrium between that which possesses value and that which is intrinsically worthless. As long as a currency is maintained at par with specie, its excessive issue is stopped at once by the necessity of redemption. Any bank, or the collective banks of a country, will take good care to issue every dol-

lar of their promises which they can keep in circulation. But when the aggregate amount of these issues is too large to be in equilibrium with the prices of commodities as measured by specie, those prices will begin to rise; and specie becoming thereby depreciated in exchangeable value, will be called for at the banks in exchange for paper, and sent abroad as the cheapest article of export. This loss of specie at once compels the banks to refrain from further issues, and keeps the volume of the currency from becoming excessive. But where no necessity of redemption exists, there is practically no limit to the issue of bank notes, except the arbitrary limit of the law, which, as we have seen, is submitted to with impatience, and often disregarded. It is idle to talk of currency coming back in payment of loans, when it is notorious that such loans are constantly replaced by others; and that the aggregate of our bank loans has gone on constantly and rapidly increasing ever since the war, while, owing to this expansion of loans and inflation of prices, the supply of available currency is becoming more contracted from year to year, until it is in the power of a notorious gambler in stocks to boast that he can do what he pleases with the money market, by merely locking up a few millions of this irredeemable currency.

8. Another error, closely connected in origin with the foregoing, is expressed in a singular theory to this effect: that no currency issued by the Government, except on the security of actual and equal deposits of coin, can ever be maintained at par with specie. The argument for this strange doctrine is derived from the supposed fact that the notes of the Government represent merely a debt due from the Government to the people, and that for capital no longer in existence, but which has been expended by the borrower; while bank notes on the contrary represent, it is true, a debt from the banks to the people, but are also due in a still larger amount from the people to the banks; which fact gives them a vitality as the representatives of actual value, which cannot attach to the issues of the Government. This statement may indeed sound plausible to a mind unaccustomed to analysis, but it is in reality devoid of the slightest significance. If true, the argument would prove far too much; for it would invalidate the security not only of the currency of RUSSIA from 1842 to 1854, which was one of the soundest and strongest in EUROPE, and but for the Crimean war, would have so continued to this day; but even of the BANK OF ENGLAND itself, the issue department of which is now wholly distinct from the banking department, and a large portion of its currency is based wholly on government debt. The truth is simply this, that the circulating notes of any country, whether issued by its government or its banks, represent merely a debt due to the people from those by whom the notes are issued. It represents that portion of the people's money, which being needed solely for domestic circulation, can have its office more conveniently performed by paper promises of undoubted credit, payable on demand. It may be divided theoretically into two portions: the larger part constituting what may be called the minimum of paper circulation, which under no circumstances ever can or will be presented for redemption

so long as its security is undoubted, because for this purpose the paper promise is preferred to the coin itself. Over and above this minimum, there is an uncertain, and often large amount of paper currency required for occasional use, and which can only be issued with safety on actual deposits of coin. For this purpose a currency issued by the government evidently possesses the advantage, inasmuch as it can concentrate its coin in the commercial metropolis of the nation, where it is usually wanted. The banks, on the other hand, might find an equal supply of coin insufficient for their protection, owing to its distribution in various and distant localities, or to a want of wisdom and prudence on the part of those to whose custody it is intrusted. There is, indeed, one advantage possessed by the banks, which is not enjoyed by the National Treasury. The income of the latter is in general only about equal to its necessary expenditure, while the former are continually receiving large amounts of currency in repayment of the loans made to their customers, and which they may of course at any time apply to the liquidation of their own liabilities, instead of lending it again. It is this peculiarity of their position which has so fascinated the theorists referred to. But a moment's consideration will show that this position of general creditors held by the banks, though a great protection to themselves, is very far from protecting either the currency or the people. On the contrary, it enables the banks to throw off upon their debtors the responsibility of protecting the currency issued by themselves, and for the safety of which their own reserves should be the guarantee. In times of distress and panic it turns our whole financial system into a state of mutual and universal warfare, in which the hand of every man, every bank, and every money broker is liable to be against his neighbor, each striving frantically to save himself at the risk of forcing others into ruin. Moreover, in such times of disaster and panic, the credit of many, if not of all banks, is liable to be so weakened as greatly to enhance their own danger and that of the community, and even with the best of credit, their resources are limited to their own immediate vicinity. The credit of the government, on the contrary, is not only less affected than any other by domestic disaster, but may often be used with advantage to obtain relief from abroad.

From all these considerations, it seems evident that, other things being equal, a government currency is intrinsically superior to any that can be issued by local banks. It is needless, however, to add, first, that the right of issuing local currency will never probably be relinquished by our people; and, secondly, that under our present political system we cannot hope to see so vast and important a trust, wisely, safely, or honestly administered by the National Government.

9. An interesting and important question now arises, namely, To what extent is our present currency depreciated from its nominal value; or, in other words, what is its average purchasing power compared with that of a currency strictly redeemable in coin? To this question, at best only an approximate answer can be given; and it

has received two answers, both plausible, but widely differing from one another. First, if we assume that on a specie basis our community of 40,000,000 would not require above $ 400,000,000 of circulating paper and coin, and an equal amount of bank credits or deposits to effect all its exchanges, and measure all its values on a specie basis; and if the amount of each of these descriptions of currency is actually $ 600,000,000, or fifty per cent. above what is required, and no part of this currency can be put to any other use, it seems natural and reasonable to infer that the prices of all commodities, not exceptionally affected by external or other causes, will tend to advance on the average about fifty per cent. above their former level, though the absence of any real measure of value, and the effect of incessant speculation must tend to produce continual fluctuation in every department of trade. For obvious reasons, it is not in my power to illustrate this conclusion by elaborate tables of prices; but all my own experience and observation tend to confirm it, and I have little doubt that it is substantially correct. It must not be forgotten, however, that this result, as already stated, is a mere approximation, and applies only partially to articles of import and export, which are affected by the state of our exchanges with foreign countries. Gold, as we shall presently show, being depreciated by the substitution of paper, all commodities which are still measured directly or indirectly by gold, *i. e.*, those which are either bought or sold abroad, must of course share in that depreciation; besides which, some descriptions of property, such as real estate, which change owners more slowly than others, are less liable to be affected by the inflation of paper currency. Other exceptions might be named, but it will still remain true, as I conceive, that the vast majority of our commodities of every kind which are produced and consumed from year to year, have been enhanced in nominal value about fifty per cent., after making due allowance for other elements affecting them.

Secondly, it is asserted by some that the true measure of the depreciation of our currency is found in the current premium on gold coin. But a very little consideration will show this theory to be utterly untenable. Gold, it is true, is still a commodity among us, but it is no longer the measure of value. It has ceased to circulate as a medium of exchange, and of the innumerable contracts throughout the community, which were formerly liquidated or measured by it, nearly all have been annulled or changed. Gold, therefore, has been practically deprived of its chief function in the community, and like all other commodities under similar circumstances, its exchangeable value has been greatly depreciated. We may illustrate this by the supposition that our Government has been able and willing to make and strictly enforce a law prohibiting the use of wheat in any form for food. Can any one doubt that in such a case the price of flour would be greatly depressed, and that it would depend chiefly upon the demand in foreign countries for whatever exchangeable value it might retain? In like manner, gold, being deprived by law of its proper employment at home, has become valuable chiefly for export. It is true that with vast and continually increasing importations of

merchandise, and the impossibility, under an inflated currency, of producing any considerable amount of manufactured goods cheap enough to be exported, or even of furnishing ships to carry them, the balance of trade and exchange is heavy against us, and ought in the natural course of things to bring up gold and every other exportable commodity to its full value. But this result, though plainly discernible in the future, has been postponed, first, by a tariff of duties on imports on an enormous and unprecedented scale; secondly, by the gradual exhaustion of our reserves of coin, held formerly throughout the country; and finally and most of all, by enormous amounts of money and credit loaned from EUROPE, in exchange for public and private securities of every description. Should this vast flow of credit from the old world to the new become suddenly and permanently checked, it needs no conjurer to predict the result. And there can indeed be no plainer or more conclusive proof of the actual depreciation of gold as compared with other commodities, than the fact that under a tariff of import duties averaging perhaps double those of previous years, the importation of foreign merchandise has continued on a colossal and increasing scale. Such duties in 1857–1861, would have been to a great extent prohibitory.

10. Let us now briefly inquire what are the evils of our present irredeemable and depreciated currency, and the objections to its continuance. These may be summed up in two brief statements: it is unsound, and it is dishonest. It is unsound because it is no real measure of value; it is dishonest because it pretends to be such, while it is composed wholly of paper promises, which are never redeemed, and on their present basis never can be. If our whole nation were deprived of all correct measures of length, or weight, or capacity; if we had yards that were not yards, gallons that were not gallons, or pounds that were not pounds, the whole community would cry out for redress, and the Government would not dare to delay it for a single week. But unfortunately, in financial matters words are too often taken for things, and shams for realities, and plain common sense is too easily hood-winked by selfish cunning. Could I spread before you at a glance the incalculable and interminable mischief brought about by this potent cause, and originating in two or three years of incompetent and reckless financial administration, the cruel losses, the unrighteous gains, the decay of commerce, the triumph of monopoly, and the public and private extravagance, demoralization, and corruption which have flowed from this fertile source, you would indeed stand aghast at the spectacle. But it is my object at present merely to indicate with all possible brevity, four different tendencies or results which must be ascribed to the past and present state of our currency.

(1.) The entire absence of any practical measure of value, taken in connection with great expansion of credit and unequal distribution of capital, has given such facilities for speculation as to cause wide and incessant fluctuations of prices, succeeding each other in every direction like waves of the sea, making it impossible to count with any

approach to certainty upon any of the usual elements of production or of trade. Not only in stock-jobbing, therefore, which is too notorious to be more than mentioned, but in every department of regular and lawful commerce, it has become a matter of common remark, that all business has turned into gambling, while gambling, or rather speculation, has become the only safe and prudent method of business. The effect of this state of things upon the merchant I need not describe. Upon the great mass of consumers and producers, its obvious effect is to levy a tax amounting, perhaps, to hundreds of millions per annum, being the per centage of difference in price over and above a fair remuneration for the expense of distribution, which sticks to the hands of intermediate speculators and monopolists.

(2.) The state of the currency has rendered almost unavoidable an elaborate system of class legislation and wide-spread monopoly, most unjust and injurious to the people, and dangerous to our republican institutions. This is obviously not the place nor the time to enter upon collateral questions of political economy, however closely related to the subject before us. I shall content myself with stating the notorious fact that two, and only two, classes of the community, and those comparatively small in numbers, are protected in their monopolies by National law, at the expense of all the rest, and that between them, commerce and agriculture are crushed and ground as between the upper and nether millstones. In the various combinations of various classes against one another, which are becoming more abundant from day to day, we see the slowly ripening fruit of this iniquitous system; but the full harvest is yet to be gathered. "They that sow the wind shall reap the whirlwind."

(3.) But after all, the most dangerous as well as the saddest consequence of a dishonest and irredeemable currency is its moral effect upon the people. When the Government sets the example of breaking its most positive, solemn, and reiterated promises, and even legislates to prevent the possibility of their redemption—when banks are allowed to double their capital by appropriating the money of their depositors, and leaving their own debts unpaid except in paper promises—when every branch of legitimate industry and trade is crushed by monopoly, or rendered unsafe by the fluctuations of prices and values—what can we expect but what we see—agriculture and commerce painfully struggling to maintain their standing, a few flourishing at the expense of the many, the most reckless public and private expenditure of wealth, and extravagance of living, speculation, gambling, defalcations, and dishonesty of every kind. The recent investigations in Congress and the astounding revelations with which our press teems from day to day, relieve me of all necessity of adducing proof of these assertions. There are few severer tests of the moral principle of either individuals or nations, than a sudden and rapid influx of wealth; but when that wealth, instead of being acquired by honest industry or superior skill and knowledge, is the result of unfair monopoly or unjust legislation—when it is acquired by the few at the expense of the many, heaped together by

gigantic speculations, or extorted from the public by iniquitous combinations—above all, when it is itself not a reality but a sham, consisting in the indefinite multiplication of dishonored promises and a mortgage on the industry of future generations, what other results could be anticipated than those we see around us?

(4.) Finally, we may all rest assured that this state of things cannot continue, but carries within itself the rapidly germinating seeds of its own destruction. The delusion that the currency of the country would gradually grow up to par with specie, has now been rudely dispelled. In the face of a constantly decreasing supply of paper, and an almost intolerable tightness in the money market, we have seen the premium on gold advance nearly ten per cent., nor can we wonder at either phenomenon, when we see the constantly increasing liabilities both of the banks and the people, and the corresponding diminution of reserves, both of specie and paper, in the treasury and in the banks. Now if there is any soundness in the premises or the conclusions of this essay, a return to equilibrium with specie (by which alone specie payment can be rendered possible) can only be effected by a very large per centage of liquidation and diminution of these enormous liabilities. But we have seen, and the evidence is overwhelming, that with every year of continued suspension, the liabilities of banks, corporations and individuals are increasing with frightful rapidity, and as a natural result, reserves are diminishing, borrowers are more and more embarrassed, and the cry for further issues of paper is becoming more urgent. Such issues would afford no real relief. What is wanted is capital to pay debts, and not credit, to increase them; economy and saving in expenditure, and not increased expenditure of what is not earned, but only borrowed. Unless something is done to check speculation and enforce retrenchment, we cannot long retain even the appearance of solvency which we now enjoy. We seem to have come to the turning point when we must choose whom we will serve. The law of GOD, the law of honesty, prudence, and self-denial, points unmistakably in one direction. The plea of dishonesty, procrastination, and self-delusion, points the other way. The former, rightly followed, leads to liquidation and specie resumption; the latter, to repudiation.

11. We come now to the final question which is to engage our attention, and to which all that precedes is but preliminary. How can our currency be restored to a sound basis—that is, of course, to an equilibrium with specie?—for this equilibrium being restored, specie payment follows as a matter of course.

It is obvious enough, if our arguments hitherto have been sound, that so serious a change in the relations of values to prices, and in the amount of circulating medium in the community, can only be effected very gradually, and with the utmost caution and care. These considerations alone are sufficient to dispose of the famous phrase attributed to the late Mr. HORACE GREELEY, namely, that "the way to resume specie payment is to resume." The real question before us is not how to resume specie payment, but *how to prepare*

for resumption, or, in other words, how to restore the equilibrium of specie and paper. The attempt to resume payment without such an equilibrium would result somewhat like the experiment of jumping from the walls of our empty reservoir, under the delusion that it was still full of water. We should soon reach the bottom, it is true, but not in a condition to repeat the experiment. Suppose even that the government, were in a position with a reserve of $ 400,000,000 of coin to redeem every dollar of its promises on demand. This proceeding so far from aiding the banks or the people to do the same, would lead to such large exports of specie, and cause such a sudden and violent contraction of credit, as has probably never been seen on this continent or indeed on any other. The same remark applies substantially to the schemes of Messrs. SHERMAN and HOOPER, brought before the last Congress, and very properly set aside, the latter proposing to redeem greenbacks in specie, the former in five per cent. bonds, worth at least ten per cent. premium in currency, and in both cases with no other preparation than a year's notice. Unless the market value of all United States securities should be reduced at least ten per cent., such an experiment could not fail to result in general bankruptcy, or more probably to come to an end by a speedy repeal of the law.

Another supposed method of returning to specie payments, which seems to be growing less popular than formerly, is to let things go on in their present course, and wait till our paper *grows up*, as it is phrased, to par with specie. This theory I trust has been sufficiently exploded by what has gone before. Its essential falsehood lies in the assumption that credit by itself can produce value. And our recent experience makes it clear, that if no steps are taken to check the incessant expansion of credit, public and private, on its present unreal basis, a further expansion of currency will be imperatively demanded, and too probably conceded, as the only refuge from general bankruptcy.

We come now to consider in the last place the remedy of *contraction*, which has become a by-word and a bugbear throughout the land. On one side it is insisted that no other remedy can avail; on the other it is declared with equal fervor that it never has been and never can be attempted without ruin, more or less complete, to our industrial and commercial interests. Both these statements are perhaps substantially correct, but of course not in the same sense or application. Nothing would be easier, provided the will were not wanting, than for a very large part of the industry and commerce of the nation to adapt itself to the conditions necessary for a general contraction of liabilities, economy of expenditure, and liquidation of debts, which would make it possible to accumulate reserves to withdraw bank notes and greenbacks from circulation, to diminish bank deposits, to accumulate specie, and thus to produce a contraction of debt and of currency; easy because voluntary, and yet so rapid that within two or three years at furthest, specie payment might safely be resumed. But I need not tell you that while human nature continues as it is, no uch prudent and disinterested action can be looked for. Every

merchant, every manufacturer, every banker, every stock gambler, every man would inevitably seek to exempt his own little business from the operation of the general law; and the more certainly he counted on the moderation of others, the more confident and extensive would his own speculations be. In all such matters, we must expect from one and all, only what their own interest suggests, or the law demands.

It is plain, then, that we cannot expect or obtain that voluntary contraction by the whole people which alone would fully answer our purpose. But we can contract the currency issued by government, and this contraction will ultimately compel the banks also to contract their issues, in order to comply with the law. Can this be done, and can the process be continued, until the equilibrium of paper with specie is restored? We are compelled to reply, that in our opinion this course is no longer practicable. It might, we think, have been successfully adopted in 1865; and even in 1866, if applied with more caution and under more favorable circumstances, it might still have accomplished its purpose. The redundant paper circulation had not then, as it has now, forced its way into all the channels of industry and commerce, so as to leave nowhere a single reservoir or centre of reserve, whence the necessary drafts could be made. The paper issues of the government and the banks are sown broadcast over the land, and have become themselves the seeds of an incredible amount of private and corporate indebtedness, the whole being so inextricably intertwined that the mere attempt to root up a small portion of this unhealthy growth may end in destroying a whole plantation. To speak less figuratively, the attempt to curtail the legal-tender currency without making provision for a corresponding curtailment of other debts, public and private, would soon, as we conceive, bring matters to a dead lock. It would be like attempting to set in motion a heavy weight by violent pressure at the small end of a long lever. We are more likely to break the machine than to set the mass in motion.

It still remains true, however, that nothing but contraction can save us from continued inconvertibility, depreciation, and ultimate repudiation. But it must be a general contraction, not merely of National, but also of corporate and private indebtedness—of the superstructure as well as the base—in a word, of all credit now unduly expanded. It must be brought about, not by any arbitrary withdrawal of currency by the government, but by the voluntary action of the people. It must be so definite and direct, but so gradual and cautious, that not a single legitimate interest of the community shall be imperiled by it; yet so sure and irrevocable in its action that all the influences and combinations of speculators and stock gamblers shall be unable to interfere with it.

After naming these conditions, it may seem idle to propose any scheme which may hope to fulfill them. But there is a power in general laws and great principles which rises far above the temporary hindrances and limits of human affairs; and if we can discover and

apply those which are suited to the present crisis, we may be assured that no existing difficulties will be found insuperable.

12. Our first proposition then concerns the legal-tender notes of the government—the original engine of inflation and depreciation, and the only instrument available for gradual recovery. If our reasoning has been correct, a withdrawal of one-half of these from circulation, provided the legal reserves of the banks were kept full, with a corresponding diminution of bank deposits, would place the currency substantially on a specie basis. But such withdrawal would be absolutely impossible without a corresponding curtailment of liabilities both by the banks and the people. The government might continue to sell gold and destroy the greenbacks received for it, or it might issue bonds in exchange for greenbacks, without reissuing the latter, but in all this there would be no inducement to the people or the banks to curtail their loans or their liabilities, except by the absolute pressure of law, which they are ready enough to evade or disregard. Nor would the law itself stand long in their way. Bank reserves would gradually disappear, and then would come the cry for new issues to make the currency "elastic."

But now, instead of depriving banks and people by a kind of force of their beloved legal tenders, can we not substitute for the latter a still better medium of exchange, which, in fact, they will like so well, as to begin by slow degrees to hoard it, and for this purpose to curtail their liabilities, and even diminish their expenditure? In this way contraction would begin at the right end, at the over-expanded summit and not at the base of credit. If this process could be continued until the liabilities of both banks and people were reduced to a point which could be maintained on a specie basis, resumption would be a mere matter of form. But it is very desirable that during this process which must be extended through at least several years, no arbitrary withdrawal of currency from circulation should be made by the government, whether by loan or otherwise, but only by actual payment, dollar for dollar, in coin.

We propose, then, first, that the government should, with the least possible delay, call in and withdraw from circulation, the whole, or at least one-half of the existing legal-tender notes (excepting fractional currency) and issue in their stead an equal amount of new legal-tender notes, payable at fixed dates, in coin, in monthly instalments of $5,000,000 each—but the payment not to commence before the year 1875 or 1876. These issues could be distributed to the highest bidders, as fast as a premium could be obtained, and in the order of their terms of payment, but only in exchange for existing greenbacks, which would, of course, be forthwith canceled and destroyed. It will be seen that in this way, no change whatever would be made in the volume of the paper currency. but its quality would be changed from that which possesses absolutely no definite value to that which can be definitely measured and computed in coin, while its function as a legal tender in discharging debts would remain unaltered. If we mistake not, the moral effect of this step would be

very great. It would commit the government and people of the UNITED STATES to a positive and definite redemption of those dishonored promises which have so long debauched the nation; it would make speculators and stock gamblers understand that their reign was over, and that any further attempt at inflation must end in ruin. It would teach banks, merchants, and even capitalists, the wisdom of moderation and prudence; and would make it for every man's interest to save rather than to spend, to sell rather than to buy, to work rather than to speculate. Stocks of merchandise would be allowed gradually to diminish, while money, or what is called such, would everywhere begin to accumulate. Wild and unprofitable enterprises, which have hitherto competed with legitimate industry, would begin to break down or be abandoned. Doubtful and unnecessary undertakings would be postponed. Bank loans and liabilities would fall off, while bank reserves would increase. All purchases of bonds by the National Treasury would, of course, be stopped, and a much-needed reserve of gold coin would begin to accumulate. Before long the new legal tenders would begin to be hoarded, especially by the banks, which would thus have a strong inducement to increase their reserves and lay the foundation of an "elastic" currency. After two or three years of this state of preparation and transition, the payment of the United States notes in coin would begin, at the rate of $ 5,000,000 a month, or $ 60,000,000 per annum, which should easily be met from the surplus revenue and the accumulated reserves of the Treasury. Should it at any time be necessary to borrow, we will venture to predict that all needed funds will be supplied at so low a rate of interest, as to astonish and confound those financiers, who have supposed it possible to borrow cheap without vindicating the National good faith.

It is hardly necessary to trace any further the action proposed. By the time one-half of the existing legal tenders were redeemed in coin (a process which would occupy about three years) the circulating currency of the country would probably be brought to an equilibrium with specie, and the liabilities of banks and people would be correspondingly reduced. Gold coin would circulate at par, and the general resumption of specie payments would be a mere matter of form. Prices of all commodities would have adjusted themselves during these five or six years to the new and permanent basis of specie value. The prices of many things, such as real estate and other permanent investments, might be in many cases but slightly and temporarily affected, and would probably recover, in a few years of prosperity, all that they might appear for a time to have lost. Prices of merchandise affected by foreign exchanges would follow the price of gold, declining slowly and gradually to par. The prices of the great mass of commodities annually produced and consumed at home, and which for more than ten years past have been subject to incessant and violent fluctuation, would begin at once to acquire steadiness, declining slowly and gradually to the point indicated by a correct measure of value. Estimating this amount of the decline at the highest proportion which our investigations will

warrant, namely, thirty-three per cent., it is evident, that being spread over five or six years, it would but little exceed five per cent, per annum, a proportion hardly one-fifth or even one-tenth of the amount of variation to which some of our most important commodities have been subjected, within comparatively brief periods, during these ten years of financial anarchy and misrule. But in the present case there will be a compensation such as has not existed heretofore. The movement of prices, instead of being spasmodic, irregular, and uncertain, will be uniform, moderate, and steady, and always in one direction. What we appear to lose as borrowers, sellers, and producers, we shall gain as lenders, buyers, and consumers. No great and general change can occur without more or less of individual suffering; but here the suffering will be incidental and comparatively easy to avoid, while the benefit will be great, immediate, and universal. We do not pretend to anticipate with anything like accuracy the precise time required to complete the process of restoration; but we see no reason to doubt that it may be steadily continued until its final object is accomplished.

13. There remains one weak point to be guarded against in our scheme, namely, the redemption of National bank notes. With a singular want of foresight and common sense, our National banks have been allowed to invest their whole capital in United States bonds, and to deposit these with the Government as security for the notes which they issue. Of course this arrangement leaves no funds in their hands, either for the redemption of notes or for loans to their customers, except the money of their depositors and their own reserve profits. They may indeed lend their credit in the form of bank notes, but this credit they have no power to redeem. During the suspension of specie payments these notes, being guaranteed by the Government, have floated about the country substantially on a par with greenbacks, and with scarcely a thought of redemption in any quarter. But when greenbacks begin to advance towards par, these notes must necessarily follow the same course. The greater part of them will no doubt continue to circulate on an equality with greenbacks, and even with gold; but as we have seen, there will be times when a considerable portion of every elastic currency must either be redeemed in specie or withdrawn from circulation, which is equivalent to the same thing; and while some of our larger banks may be already in a position to meet this contingency, it is certain that a large proportion, especially of the smaller ones, would prove utterly unable to do so. Yet the stress of such contraction is quite as likely to fall upon the weak as the strong, and though the currency itself, being guaranteed by the Government, might survive the shock, an extensive panic among depositors and the insolvency of hundreds of banks might discredit and overthrow the whole system.

It must be remembered, also, that with the return to specie payment, free banking becomes established by existing laws; and with the multiplication and competition of new banks, which cannot fail to follow, the amount of circulation of existing banks will be continually diminished. It will become essential therefore, for many [and prob-

ably most] of the banks to cancel a considerable portion of their existing notes, and realize in cash the bonds deposited in Washington for their security. But this will never be done voluntarily, so long as it can be avoided or evaded; and as the principal redemption of notes will of course take place at New York or other commercial centres, and through irresponsible agencies, much confusion and embarrassment would be likely to ensue.

For all this, as we believe, there exists but one adequate remedy. Let the Government, which holds nearly all the capital of the banks, and all the security for their circulation, make the necessary provision for its redemption. Let a bureau be forthwith established in connection with the sub-treasury at New York, where all National bank notes shall be redeemed in lawful money on presentation. Let the respective banks be notified, daily or weekly, of the amounts thus paid for their account, and if such amounts are not made good within thirty days, let a sufficient amount of the bonds held as security be sold, and the defaulting notes canceled. In this way both the convenience of the public and the highest possible credit of the currency would be amply provided for, while the redemption of notes would be reduced to its minimum amount, and effected with the greatest possible economy of specie. The expense could easily be defrayed from the taxes already paid by the banks, which would otherwise be unreasonably burdensome, after they shall have been compelled to pay their debts and relinquish their monopoly of credit.

The subjoined sketch of a bill to be passed by Congress appears to embrace all the legislation necessary to carry out the scheme we have endeavored to explain and defend:

14. *Be it enacted, etc.*

SECTION 1. The Secretary of the Treasury shall cause to be prepared immediately, two hundred million dollars of legal-tender notes, of the usual denominations, and in the usual proportions, payable in gold coin at the sub-treasury of the United States in New York, in monthly installments of five million dollars each, such payment beginning on the first day of January, eighteen hundred and seventy-six, and the date of such payment shall be conspicuously stamped on every note so issued. Each monthly installment of the said new legal-tender notes shall be offered at public sale to the highest bidder, in exchange for existing legal-tender notes, in the order of its date of payment, and ten million dollars of the said notes shall be issued in every calendar month, commencing as soon as the notes can be prepared, and continuing so long as any premium above par can be obtained for the same. When a premium can no longer be obtained, the said notes shall, after a delay of thirty days, be issued at par to all applicants in the order of their application, but the obligation to record and observe such order of application shall not extend to more than ten millions in the whole, before again offering the notes to public competition. And all notes received in exchange for said new issues of notes shall be immediately withdrawn from circulation and canceled.

SECTION 2. The Secretary of the Treasury, in connection with the Comptroller of the Currency, shall establish forthwith in the city of New York, a bureau of redemption, at which all circulating notes of National banks shall be redeemed on presentation, in lawful money of the UNITED STATES; provided, nevertheless, that whenever in the opinion of the Secretary of the Treasury the cash balance in the Treasury shall not be sufficient to render the continuance of such redemption expedient, such redemption may be temporarily discontinued. And such National bank notes, when redeemed, shall be promptly assorted, and their amount charged to the respective banks by which they were issued, and weekly notice shall be given to such banks to redeem the same. And whenever such bank shall fail to redeem such notes within thirty days of the date when notice is mailed in New York, it shall be lawful for the Comptroller of the Currency to sell a sufficient amount of the bonds held for account of such banks, and to make good their deficit at the bureau of redemption. And all notes thus left unredeemed shall be forthwith withdrawn from circulation and canceled.

SECTION 3. From and after the passing of this act, all purchases of bonds by the United States Treasury shall cease.

And now, my friends, before closing this long and perhaps tedious essay, let me appeal, not only to you, but to every intelligent and thoughtful and honest citizen of our country, to unite in a firm resolve, and an urgent demand, that this disgrace, this gigantic wrong, this scandal, this abomination, shall come to a speedy end. If the scheme now proposed, or any other, cannot command the approval of the people, let the united wisdom of our ablest and most experienced merchants, bankers and financiers be called upon to devise a remedy, and that without delay. That the richest nation in the world should submit to prolonged and voluntary insolvency; that the most thrifty and industrious of people should deprive themselves of one of the most essential instruments by which wealth is created and distributed; that the nation most zealous of commercial supremacy should abandon the field, destroy her shipping, overthrow her commerce, and become voluntarily dependent for capital and credit upon her European rivals; that the most democratic of nations should willingly subject itself to the basest of all tyrannies; that the descendants of those who fled from EUROPE for conscience sake should deliberately refuse to pay their just debts, and openly violate that divine law which declares "just weights, just balances, and just measures shall ye have;" all this may seem incredible, and might, twelve short years ago, have been pronounced impossible; but unhappily it is now a matter of history. As we would recover our fair fame among the nations, as we value truth and justice and honesty at home, as we would escape the tyranny of monopoly, reconcile capital and labor, avert the impending conflicts of classes, and perpetuate free institutions, let us see to it that this foul blot on our history be taken away at once and forever.

REFORMS IN THE CURRENCY.

REPORT OF THE NEW YORK CHAMBER OF COMMMERCE.

November, 1873.

MEMORIAL.—*To the Honorable the Senate and House of Representatives of the United States of America in Congress assembled:*

The Chamber of Commerce of the State of NEW YORK respectfully represents to the Honorable the Senate and House of Representatives of the UNITED STATES, that, in the judgment of this Chamber the time has come when a just regard to the commercial and financial interests of the country demands a return to specie payments, or the initiation of such measures as will lead to resumption at an early day; that, with the least possible delay, the "*promise*" of the UNITED STATES, given under the sanction of law, and enforced by a "solemn pledge," should be made as good as the national *bond*, and honored at sight, as the other is paid at maturity.

Your memorialists believe that the moment is propitious for such modifications of the banking law, and such other action on the part of Congress as may be necessary to enable the Treasury Department to enter upon the redemption of its legal-tender notes.

For more than ten years the merchants of this city have suffered the inconveniences, losses and evils resulting from the use of an irredeemable paper currency; waiting patiently the course of events, and the revival, on the part of the people at large, of better views than have hitherto prevailed.

Your memorialists are fully aware that the popular will has been opposed to congressional action in the direction now suggested; for the belief has been general, that the prosperity of the country and the advancement of its material interests depended upon the continued use of a circulating medium, which is wanting in every element of stability, and is found to be pregnant of evil to the national character.

The panic that recently swept over the land, leaving disaster and ruin in its track, like the fire of the prophet, has brought us face to face with the true and the false; and your memorialists indulge the hope that better views will follow the instructive and costly lessons of experience, and lead to nobler thoughts and higher aims. There is much of folly to deplore in the past, much of good to acquire in the future, and "wisdom is the principal thing."

In order to a correct understanding of the position now taken by this Chamber, of the difficulties supposed to stand in the way of

resumption, and of the manner in which they may be successfully met, your memorialists ask leave, in the outset, to state a few simple propositions, viz.:

1st. In all the principal commercial countries of the world, gold (or silver) is the accepted standard of value, not only in nations where debts are discharged with specie or its equivalent, but, equally so, in those where debts are not so paid; for it is to be borne in mind that gold tests the value of paper money, precisely as paper money determines the value of the rags out of which it is made.

The cost of convertibity, of exchanging one for the other, is the exact measure of depreciation, from whatever cause this depreciation proceed, whether it be the disproportion of one to the other, or speculation or distrust.

2d. In our own country, at the present day it is usual to speak of gold coin as demonetized. This is only partially true. Gold is used with us as money for the following purposes, and for some of these exclusively, viz.: For the payment of duties; for the payment of interest on the public debt; in payment for many staple goods which are sold for gold, and, finally, for liquidating the balance of trade with foreign countries; and for these and other incidental uses, the available supply for many years has been inconveniently small, at times not exceeding one-half, one-third, or even one-quarter of the amount in the vaults of the Treasury. Hence gold has been the subject of unceasing speculation, to the manifest annoyance of business men. Calculations on the part of vendors of imported goods have been baffled by constant fluctuations; the wholesale dealer being afraid to hold his merchandise, fearing a fall in the premium on gold, and the retailer equally afraid to carry any considerable stock, for the same reason; and neither being able to transact business with satisfaction and profit, because of the perplexing uncertainty. Sales of exchange and sales of merchandise have been subject to this law of change, not only from day to day, but from hour to hour.

3d. Hence gold is a necessity, not only as a standard of value, but because of the multifarious uses for which it is required as money. And it is not to be forgotten that the "premium," by which we describe the difference between paper money and gold coin, is due in part to speculation upon the extent of supply and demand, and partly to the distrust of every thing else which actuates the unhappy few who hoard it.

4th. For all the uses above named, with one exception, gold coin would cease to be a necessity in the event of resumption, as all the national currency would stand on the same plane. For the single purposes of liquidating the balance of our foreign trade, from time to time, the use of gold coin would be indispensable; and it may be remarked, that what appears in our export tables as bullion for the last year, has consisted, most largely, of gold and silver bars.

If the foregoing propositions be true, and they can hardly be

called in question, the main point to be considered, in contemplating a return to specie payments, is this, viz.:

Whether the trade of the UNITED STATES with foreign countries is in a condition to warrant resumption; for, it is plain that there could be no resumption without redemption, and redemption cannot be continued so long as there exists in the public mind a reason for any important difference between gold coin on the one hand, and legal-tender and national bank notes on the other.

In ordinary times the rate of exchange on ENGLAND is the criterion by which we determine the state of our foreign trade, whether it is for or against us; and although the times are extraordinary, your memorialists do not know why it does not afford a true solution of this problem, even now. The tables show a largely increased export of merchandise and uncoined bullion over previous years, chiefly the products of our industry, of our soil, and of our mines; while our country is surfeited with foreign goods. For more than a year, we think it may be stated, without fear of contradiction, that the great staples, sugar, tea, coffee and iron, have failed to realize cost and charges, and it is believed to be equally true of other imports generally. The losses of our merchants and jobbers have been unprecedentedly severe, and the prostration of trade, both on the seaboard and in the interior, is such as to forbid the hope or the fear of an early and considerable increase of our foreign trade inward. Prices of foreign goods, sold for currency, do not respond to the speculative value of gold, which operates as a barrier against imports, and, acting adversely on exchange, continues to draw bullion to this country.

There will be less gold to be paid for duties, and less required for foreign goods in the year to come, than for many years past. But the advocates of an inflated paper currency will say that any treatment of this part of our subject (the balance of trade), which ignores the interest on our debt, and the expenditures of our countrymen abroad, must be considered imperfect, and this may be admitted. It is nevertheless fair to assume, that the large expenditures of the comparatively wealthy few who visit EUROPE annually are more than met by the little all of three hundred thousand immigrants that come to our shores every year. All that can certainly be known in regard to the coming requirement under both heads is this, that it will continue to be about what it has been. The amount of gold required in years past to liquidate the balance of account between our own and foreign countries, is shown in numerous tables of statistics. After deducting the uncoined gold and silver—the product of our mines—the demand on the Treasury for coin to settle indebtedness abroad has been very moderate the past year.

During this period the negotiation of American securities in EUROPE has been limited to a class of bonds of unquestioned character; and there is no good reason to suppose that such negotiations will be discontinued, or proceed on a less liberal scale than of late. If it were possible to absolutely determine all such points to a nicety, the grave

financier, educated in the school of caution, would timidly point to the magnitude of our debt abroad as an insuperable obstacle to resumption. To the skeptic, the inflationist and the financier, there is this to be said: if because of our foreign debt—which would not have been so large had our statesmen and people been wise in time—we cannot resume, the thought of resumption may as well be dismissed from the American mind; for, under any circumstances honorable to our people, our debt abroad is not likely to be less than it is, and it is far from unlikely that it will continue to increase.

Your memorialists are not disposed to doubt the acumen of German and English capitalists who have bought American bonds, whether the issue of the UNITED STATES, of our own and other States, of our counties, cities and railroad corporations, since they have paid in currency for these various securities only what they are gradually coming to be worth in gold; always provided they have been bought with a careful discrimination as to quality. European countries are brought into nearness of communication with our own by steam and telegraph, and investments of foreign capital are as conveniently made here as at home. Buyers are governed by two considerations:

1st. The amount of interest to be earned; and

2d. By the confidence reposed in the character and integrity of our people. An attempt to resume specie payments, we have every reason to believe, will be met with favor, with sympathy and with support, wherever our obligations are held abroad; for, to the practical European mind, it would be the best evidence which could be given of an upright intent, of an honest purpose. Any other decision of the momentous question would be injurious to our national character and prejudicial to our best interests.

It has been shown, that while gold possesses the double character of money and commodity, and is necessary as a standard of value, the uses for it as money are manifold, and its retention in the country is all important, whether we resume specie payments or not.

In the one case, with the balance of trade against the country, our gold reserve could only be maintained by a sufficient advance in the rate of discount, and contraction enough to limit the outflow; or by contraction, pure and simple, if we are to abide the restraints of existing laws.

On the other hand, with a continued suspension of specie payments, an advance in the premium will be the inevitable result; and, with one change succeeding another, unceasing fluctuations in the value of every description of property are certain to follow. Prices in the East, in the West, and in the South, are obedient to a common law, which equally affects merchandise from the East and produce from the South and West.

These preliminary observations naturally lead to the consideration of the important and practical question as to the power of the government to redeem its "solemn pledge," and what amount of gold in

the treasury will suffice to begin and continue redemption of legal-tender notes. On this particular point, neither theories nor statistics drawn from political economists, and from other ages and peoples, can be received as a guide to just conclusions.

For history does not afford a parallel to our country, so vast in the extent of its domain, so remarkable for its diffusion of intelligence, of wealth, and of all the comforts of life; so full of vital forces, and abounding in diversified industries and in the products of the soil. If we are to reason from analogy, the parallel must be drawn from some experience of our own, and the event is fresh in our memory. During the late war, a British statesman, high in authority, is reported to have said that the rebellion could not be put down, and he expressed an opinion that was very general in diplomatic circles; but, through the courage and constancy of our citizen soldiers, it *was* put down, and the unity of the States re-established. The people once more are in quest of a great boon, the unity of our monetary system—the co-equality of gold, greenbacks and National bank notes. The way to the desired end is not through devious, intricate or circuitous paths, such as the soldier follows when he flanks his foe, but is by the direct and familiar path that leads to a well-known friend and ally. In the new encounter with cavil and doubt, the faith and the virtue of an intelligent people will again prevail. Meanwhile, all the forces in the field must be carefully utilized and skillfully handled. Whatever policy might have been judicious before, it is in vain to talk of contraction now, when three hundred and fifty millions of greenbacks, and three hundred millions of National bank notes are employed unceasingly to keep the wheels of an extended commerce in motion. The vantage ground we now occupy has been gained through many vicissitudes of fortune, and through much tribulation. We have reached the verge of success in bringing gold and currency to a par with each other, and it apparently needs but an announcement by the Secretary of the Treasury, that legal-tender notes will be paid in gold at an early day, to annul the present difference between the two.

When legal tenders are made as good as gold, will the people be less tenacious of them than now? Is it more probable that greenbacks will leave all the diversified channels of trade and flow into the Treasury for redemption, than it is that the blood will forsake all our veins and remain in the heart? Are the people so ignorant of what concerns their welfare, as to forget that all are embarked in a common cause, and that unity is essential to stability in our monetary system? If the people are rightly instructed by the press, and doubt and unbelief are not made to take the place of trust and hope, your memorialists are confident, that the amount of gold required to perform the work of redemption is greatly over-estimated, and that all calculations based upon the experience of small and thickly-settled countries, must necessarily be at fault.

With an acknowledged issue of legal tenders, the banks have found it difficult to draw from the circulation over five and twenty

millions in a time of most urgent need. With the liquidation that is going on, with the cessation of so many industries, we are about to enter upon new conditions, and money in the form of paper currency may become superabundant. It is impossible to forsee every contingency, and not easy to provide for the unforeseen.

With the product of our mines, and a steady recuperation of strength from the duties on imports, the ability of the Treasury to sustain itself may safely be assumed. Our banks are always in peril if bold, bad men conspire against them. So are our cities, and so are all our possessions. But disaster comes to the bank more frequently from within than without, and the danger is increased rather than diminished by a suspension of salutary laws.

Your memorialists would deem it most unfortunate if all the sacrifices resulting from a great crisis should have been incurred in vain, and the golden opportunity to resume specie payments be lost. If the difficulties and uncertainties are numerous and surmountable now, when, and under what circumstances, can a favorable change be expected ?

In the full belief that the propitious time has arrived (unless the country is to be engaged in another war), the following suggestions are presented for the consideration of Congress, viz.:

1st. That the purchase of United States bonds be suspended, if not already suspended by the force of circumstances.

2d. That the redemption of United States legal-tender notes be commenced on the fourth day of May, but that the power of re-issue be continued. That the Sub-Treasury in New York be the appointed place, with liberty to the department to redeem at other points also, if convenient.

3d. That provision be made for the funding of a portion of the greenbacks, if the addition of gold to the other money of the country should appear to render such a measure necessary.

That the National banking law be amended in the following particulars :

By a more stringent requirement as to the reserve of 25 per cent. for the redemption of bank indebtedness, so that the whole shall be in legal-tender notes, and held by the respective banks throughout the Union.

There are two practical defects in the existing law. 1st. In our city banks, gold coin is counted as a part of the reserve, whether it is or not the property of the bank, and sometimes when it is held as a special deposit. This may satisfy the letter and not the spirit of the law. Again : a country bank is required to hold 15 per cent. of its indebtedness, and three-fifths of this may be deposited in a city bank. The operation is this : country banks deposit, with one or more city banks, ten millions dollars. Three-fourths of this deposit are loaned out to the customers of the city banks, and twenty-five hundred thousand dollars (25 per cent reserve) is made to redeem sixty millions of indebtedness.

A uniform reserve of 25 per cent. held by the National banks throughout the country would give them strength at home and lessen the danger of failure whenever the Government undertakes the redemption of its notes. If it is not in the power of 1,600 or 1,800 banks scattered all over the Union to obtain so large an amount of greenbacks, it is not reasonable to fear that with a thousand good uses for money in their business and in their homes our citizens will part with it in sufficient amount to frustrate the beneficent end in view, merely to gratify a single purpose, and that an evil one.

Your memorialists think it is quite as important that the banks should be supported by a strong reserve in greenbacks as it is that the United States Treasury should be sustained by a vast deposit of gold; but the restraints of law are most irksome to those who oppose specie payments in the one case, while the importance of the other is magnified so as to put it beyond the prospect of an early realization.

To counteract erroneous impressions in regard to the amount of gold necessary to the liquidation of United States notes, the following extract is made from the bank statistics of the State of NEW YORK, from 1856 to 1858:

		Liabilities.	*Of which Capital.*	*Specie.*
March,	1856,	$235,737,114	$84,831,152	$17,916,432
December,	1856,	278,106,728	100,025,798	11,393,302
June,	1857,	287,990,816	103,954,777	14,370,434
December,	"	252,467,866	107,449,143	29,313,421
March,	1858,	268,715,378	109,587,702	35,071,074

Secondly, a provision for the substitution of gold for greenbacks as a part of the reserve, whenever the success of redemption is fully assured.

In conclusion, your memorialists, as citizens of the State of NEW YORK, animated by her lofty motto, have to regret that the usury laws of the State are not in accord with the spirit of the age; and as citizens of the Republic, and jealous of its high renown they are deeply impressed with the belief that its monetary system is not in accord with the teachings of experience and the most enlightened views of political economy; and they urgently pray that Congress will give due heed to their present appeal, in order that our countrymen may be enabled to pursue an honorable and successful competition in foreign markets with the foremost nation of the world; and, in attestation of the reasonableness of their prayer, your memorialists would invite the attention of your honorable bodies to the date and the spirit of the annexed resolve.

Respectfully submitted.

A. A. LOW,
SAM. D. BABCOCK.

Be it enacted, &c., That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared, that the faith of the UNITED STATES is solemnly pledged to the payment in coin or its equivalent of all the obligations of the UNITED STATES not bearing interest, known as United States notes, and of all the interest-bearing obligations, except in cases where the law authorizing the issue of any such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver; but none of the said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time as United States notes shall be convertible into coin, at the option of the holder, or unless at such time as bonds of the UNITED STATES, bearing a lower rate of interest than the bonds to be redeemed, can be sold at par in coin; and the UNITED STATES also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of United States notes in coin.

JAMES G. BLAINE,
Speaker of the House of Representatives.

SCHUYLER COLFAX,
Vice-President of the United States and President of the Senate.

Approved March 18, 1869.
U. S. GRANT.

Minority Report of the N. Y. Chamber of Commerce.

NOVEMBER, 1873.

Whereas, "Panic" is the prominent characteristic of great financial crises, and a panic always is fraught with peril, whether to the public assemblage, to the ranks of an army, or to a commercial community, being alike destructive of life and property; and, in its nature, is antagonistic to that faith in GOD and faith in man which is the principle and the prop of our religious and civil life; and

Whereas, As the consequence of the late financial revulsion, a want of faith in the results of industry is manifest, and the merchant and the manufacturer, the capitalist and the laborer, suspend their various enterprises and occupations, under a feeling of apprehension which threatens wide-spread poverty and distress; and this feeling of distrust is aggravated by cries of alarm, which are sometimes as wicked as they are groundless. Now, in view of all the untoward circumstances of the times, it becomes this Chamber to declare its belief in the following propositions:

First.—Its belief that time offers the only solution of existing difficulties—time to think and to act—time to work and to pay—time to sell and to buy—time to meet obligations in a spirit of mutual accommodation. The law of safety demands time to clear the doors of egress—to check the spirit of impatience and disorder that would destroy the accumulations of years of prosperity, even as the crowd, in wild dismay, tramples down human life;—time to repress the selfishness that beleaguers our banks, and hurries the faithless servant to the burial of "his talent in the earth."

Second.—Its belief in our National banking system, which has withstood so well "one of the greatest financial crises the world has ever known;" bending, indeed, as the firmly-rooted tree bends to the furious gale, but standing now, as it stood before, firm and steadfast, the bulwark of our financial strength; albeit certain modifications may be thought necessary to give it elasticity and scope.

Third.—Its belief that the lesson of the day is suggestive of economy in the administration of affairs, both public and private; of diminished revenues; of lower prices in every department of business, and, as a certain consequence, ere long, of an excess of unemployed money; and that this and other considerations point to a plain and obvious duty on the part of the Government and the banks, to accelerate a return to specie payments, in order that the losses resulting from a great crisis may not have been incurred without some commensurate good—a crisis which the opponents of a sound currency vainly hoped the use of irredeemable paper money would indefinitely postpone, if not wholly avert.

Fourth.—Its belief that in failing to redeem United States legal-tender notes with gold, or to enact laws looking to this end, the Congress of the UNITED STATES has set an example before the people which has been pernicious in its influence, promotive of a general inflation, and fruitful of wide-spread demoralization.

And, believing these things, the Chamber would respectfully invoke Congress, when it again assembles, to cause, if need be, the purchase of United States bonds to be discontinued, and the application of the National gold reserve to the redemption of Treasury notes, according to the letter and spirit thereof—reserving nevertheless, the power of re-issue. With the fulfilment of what thus appears to this Chamber as the paramount duty of our Government, the banking system of the country—resting, as it does on the public credit—would acquire and possess an element of strength in the hundred millions of gold that would be added to its redemptive power, and there would be set at liberty, to a larger extent than now, legal-tender notes, to assist the National bank circulation in its monetary work. Therefore,

Resolved, That in furtherance of their prayer, and animated by a reasonable hope, the Chamber of Commerce of the State of NEW YORK will memorialize Congress to early action, at its approaching session, in accordance with the views herein set forth.

FOREIGN MINTS AND STOCK EXCHANGE BUILDINGS.

The Banker's Almanac for 1874, to be issued early in January, contains engraved views of the following public buildings, viz.:

MINTS.—I. Osaka, Japan. II. London. III. Paris. IV. San Francisco. V. Philadelphia.

STOCK EXCHANGES.—VI. Paris. VII. Marseilles. VIII. Lyons. IX. Hamburg. X. Bremen. XI. Antwerp. XII. Ancient Pompeii. XIII. National Bank, Copenhagen.

It is proposed to procure, next year, others for the *Banker's Almanac for* 1875. In addition to the above mentioned the new volume contains engravings of the latest coins of the United States, India, the Strait settlements, Ceylon, and Newfoundland.

Hamburg.—Die Boerse, at Hamburg, was completed a short time prior to the great fire of 1842 (when 1,750 houses were destroyed). It forms a noble hall, 48 paces by 26, exclusive of the surrounding collonade. On the first floor are reading rooms, offices, &c., similar to Lloyd's, London, and called the Borsinhalle. Here a stranger can be introduced to read the papers and journals from all quarters of the globe. It is also the seat of the Commercium, or Board of Trade of the Chamber of Commerce *(Handelsoericht)*, presided over by two lawyers and nine merchants as judges. Opposite this building is the Bank of Hamburg.

Paris.—The mint of France was built in 1771 and following years, and operations were commenced in 1775. The principal front is 300 feet in length and 78 feet in height, and 348 feet in depth. [*See description in full, pages* 262–270, *October number.*]

The ground plan includes eight courts, of which the central one, the most spacious, has two pedimented pavilions facing each other. The central arcade of the principal front leads into a vestibule adorned with twenty-four fluted Doric columns. On the right is an Ionic staircase; next is a magnificent saloon called the Musee Monetaire, containing an immense collection of the coins of France chronologically classified, besides the medals struck on various public occasions, such as marriages, victories, etc.

In this hotel are performed all the operations of coining, besides the assaying and stamping of the gold and silver for jewelers, etc., who are obliged by law to have every article stamped before it can be sold. It is also the seat of the general administration of the coinage of the State.

In the laboratory of the mint are two steam engines of thirty-two horse-power, by which all the machinery of the establishment is

worked. There are eleven coining machines, one for gold, six for five-franc pieces, two for two-franc pieces, and two for small coins. When they are all worked at once, they produce 1,500,000 francs per day. Although the mint is a fine specimen of architectural art, it cannot serve as a type for buildings for similar purposes, which must be constructed according to a more economical system and with better arrangements, says M. CH. MORCOTTE, the present able *Director.*

The coinage of gold from 1850 to 1872 amounted to 6,517,507,-385 francs. The coinage of silver during the same period was 843,821,208 francs.

SAN FRANCISCO.—The new mint edifice which has been for some time past in course of construction at San Francisco is about completed, and the work of fitting up the necessary machinery, fixtures, and apparatus, has been commenced under the supervision of a competent superintendent, and will, it is expected, be finished by the 1st of July, 1874.

When completed, this will be one of the best appointed mints in the world, and will reflect much credit on Supervising Architect MULLETT, who designed it and under whose direction it has been erected. It was at one time considered unnecessarily large, but in fitting it up with a refining and coining capacity equal to the present demand it has been found necessary to occupy the entire building.

LEGAL TENDER.—It destroyed the obligation of the contracts on the part of debtors to pay coin dollars. While justifiable as the exercise of a war power, and as one of the anomalies of war, *(inter arma leges silent)*, its indefinite continuance, after the exigencies growing out of war no longer necessitate it, is no more defensible than continued conscriptions, military occupation and seizure, martial law, or suspension of habeas corpus.

We plant ourselves first of all then here, on this perfectly impregnable position. The national faith is pledged. National morality requires the fulfillment of the nation's promises " at the earliest practicable period."—*Scribner's Monthly Magazine.*

IRREDEEMABLE CURRENCY.—Now an inconvertible currency, of variable and uncertain value, immensely increases the facilities and temptations to a vocation which thrives on uncertainties. That specie payments would put an end to such speculation, and its enormous evils, it would surely be chimerical to maintain. That it would abate them and the great loss to the industry and wealth of the nation caused by them, is undeniable.—*Scribner's Monthly Magazine.*

NEW PUBLICATIONS.

I. *The Scotch Banks and System of Issue, including Translation of Les Banques d' Ecosse. By* I. WOLOWSKI. *Post octavo. London,* 1873. 7*s.* 6*d.*

II. *Money, and how to make it; comprising the History of Money—the general principles of money-making, with definite directions for successfully conducting nearly all kinds of business:*

The author has added: Money in the professions; 2. How working men may make money; 3. Women's part in making money; 4. A talk with boys about earning and saving money; 5. How parents should mould the money-getting desire in their children; 6. Suggestions as to lending money and the expenditure thereof. By H. L. READE. Octavo. 604 pages. 18*s.* London: TRUBNER & Co.

III. RAILROADS.—Mr. EDWARD VERNON has compiled and edited, and J. B. LIPPINCOTT & Co., Philadelphia, have published, in elegant style, the *American Railroad Manual for the United States and the Dominion*, which contains full particulars of the mileage, capital stock, bonded debt, equipment, earnings, expenses and other statistics of railroads, as now built and in process of construction, together with a general railroad map of the States and Dominion, with individual maps of each State and Territory, and a brief history of the charter under which each road was originally constructed, and the various transformations or reorganizations through which each company has passed down to the present time. A more instructive or useful volume for railroad men, or, indeed for any one in quest of information on the transportation facilities of the country can nowhere be found.

IV. SILVER AND GOLD.—An account of the mining and metallurgical industry of the UNITED STATES, with reference chiefly to the precious metals. By R. W. RAYMOND, Ph. D., United States Commissioner of Mining Statistics, President of the American Institute of Mining Engineers, Editor of *Engineering and Mining Journal*, author of *Mines of the West; American Mines and Mining; Mines, Mills and Furnaces;* etc., etc. 1 vol. 8vo. With plates, $3 50.

From the wheel of the potter, from the yet ruder shed of the brick moulder, to the noblest work of the sculptor; from the rudest scratching of the soil to the highest triumph of scientific agriculture; from the first lesson in the dame school to the master-speech of the great statesman in the senate; all that can enrich and ennoble a nation is bound together by the golden links of industry. No philosophy can be other than superficial, no statesmanship can be other than barbarous, that is ignorant or negligent of the great natural laws that regulate the application of labor.—*Edinburgh Review, October*, 1873.

THE NEW COINAGE OF THE WORLD.

I. The Coin Book of the World, with illustrations, octavo, 1872. J. B. LIPPINCOTT & Co., *Philadelphia*.

II. The Banker's Almanac for 1873, *with sixty-three engravings. New York,* 251 *Broadway.*

It has been justly remarked that "the coinage of a country speaks with unerring accuracy and truth; and so long as coins are extant, to bear witness to barbarity or refinement, rudeness or taste, ugliness or beauty, clumsiness or elegance, we cannot, as in some other historical researches, be perverted by prejudice or deceived by ignorance." (*Coin Book, page* 4.)

The brass and iron rings, regulated to a certain weight, were, many centuries ago, used by uncivilized nations as a currency. They are used to this day in the inferior money of the Chinese. The earliest coinage that can be traced, was made about the ninth century B. C. According to researches hitherto made, the Lydians are believed to have been the first people who used coined money—about 700 or 800 years before the Christian era. Their example was followed by various States of GREECE; the earliest known Grecian coins being those of Aegina.

The superstitions of the early centuries produced a decided influence upon their architecture, their sculpture, their coinage, as well as upon their morals, their habits and their domestic conduct generally, Their "household gods" were images of beasts and birds, the sun and the moon, and of man in his most hideous shapes.

The earliest mention, after the Flood, of the use of the precious metals, is in the history of ABRAHAM, who came back from EGYPT "very rich in cattle, in silver, and in gold." In Genesis (ch. xvii, 13), one is spoken of as "bought with thy money." That gold and silver were early worked into trinkets, &c., may be seen in Genesis xli, 42), where PHARAOH put a gold chain around the neck of JOSEPH. It is probable that the Hebrews, before the Exile, had silver pieces of a definite weight. JACOB bought a field at Shalem "for an hundred pieces of money." (Genesis xxxiii, 19.)

The earliest use of coins is traced by HERODOTUS, who wrote 484–406 B. C., (1 94) who says "the Lydians were the first nation to introduce the use of gold and silver coin." (700–540 B. C.) CYRUS, King of PERSIA, demanded of the people that they "help him with silver and with gold." (Ezra i, 2.)

The gradual emergence from the rude conditions of a savage and a semi-civilized society was accompanied by extremely slow improvements in the mechanic arts. The coinage during the centuries immediately preceding the Christian era, to the times of ELIZABETH, of ENGLAND, kept pace with the inventive genius of each following century. The coins of the Phocians (about the fourth century B. C.) had the *phoca* or seal on their face. The gold mines of those days produced largely to PHILIP II and his followers. The coinage of GREECE attained full development in the days of PHILIP, of MACEDON. The earliest gold coins were issued in the first century before CHRIST. Silver was coined at Rome as early as 281 B. C. Copper coins were in use in the time of CHRIST; the penny being then the most common piece in use, and was in those days equivalent to one day's labor.

The silver coinage of the times of EDWARD III (1327–1377), were the penny, the half-penny, the farthings, groats and half-groats. The noble, half-noble and quarter-noble, in gold, soon followed. The days of the Reformation enlightened the world in its progress, and with it the coinage; the shilling, crown and half-crown, the sovereign and the rial, soon followed.

The management of the mint of BRITAIN was first assigned to a Moneyer; afterwards to a Cuneator; then to a Comptroller. In the days of EDWARD VI (1547–1553), a Vice-Treasurer of the mint was in office.

The earliest coin traced to the British Isle was probably issued by one of the Kentish monarchs, who attacked CÆSAR and was defeated. One of these specimens is held in London and bears upon it the letters SEGO, possibly for SEGONAX. The Romans maintained their possession of BRITAIN nearly four hundred years, and totally deserted the island about the middle of the fifth century. The early coins were known as the sceatta, penny, half-penny, farthing and styca; also, the mancus, the mark, the shilling, the thrimsa and the ora.

A sceatta of ETHILBERT I, King of Kent from the year 561 to 616, is the earliest Saxon coin now exhibited. This coin is also the only one discovered of the reign of ECGBERHT, who was emperor from 665 to 674. His reign was followed by HLOTHARE in 674, and EADRIC in 686, when shillings and pounds were mentioned in the statutes of the realm.

In the time of AETHELSTAN, 924-940, the punishment to a minter of false coins, or for the violation of mint laws, was that his hand should be cut off and fixed upon the mint. This monarch had mints at London, Norwich, Exeter, Southampton, York and Leicester. EADWIG, his nephew and successor, had mints also at Bedford and Hereford; followed at the close of the century by mints at Canterbury, Derby and Ely. As the issue of false and light coins was not diminished by the penalty just named, the loss of sight was added to that of the hand in the year 1105, the coinage having become totally corrupt, which rendered necessary a total re-coinage. Even these

punishments were not sufficient to prevent the frauds, and guilty persons were punished by the church, by excommunication, &c.

The mark was formerly an English coin, of silver, and in the tenth century was valued at one hundred pennies; in the year 1194, at one hundred and sixty pennies; a valuation that was continued for several centuries. It was also a Scottish silver piece in the times of JAMES I, (1603–1620); in value thirteen half-pence. It was a coin well known in SHAKSPEAR'S days. It was King JOHN who says (act II, scene 2):

> "And this addition more,
> *Full thirty thousand marks of English coin.*"

In those halcyon days, when paper money was unknown, every one carried about his person sufficient small coin to meet the ordinary wants of the day. There were no bankers then to hold the individual surplus capital of the merchant and tradesman. Coin was needed, if only for a cup of sack. It was HENRY, Prince of WALES, who said to FALSTAFF (1. HENRY IV, act I, scene 2), when the robbery at Gadshill was proposed:

> "*Yea, and elsewhere, so far as my coin would stretch;* and, *where it would not, I have used my credit.*"

Poor FALSTAFF must have been reduced to an extremity when he swore to Prince HAL:

> "*I'll not bear mine own flesh so far afoot again, for all the coin in thy father's exchequer.*"

The glorious pomp of war was sustained likewise by coins. It was GLOSTER who exclaimed (2. HENRY VI, act I, scene 2):

> "*What! did my brother Henry spend his youth,*
> *His valor, coin, and people, in the wars?*"

The coins of old were, as in modern days, loaned out to grow by usury. Allusion to this is made in TIMON of ATHENS, when ALCIBIADES says (act III, scene 5):

> "*While they have told their money, and let out*
> *Their coin upon large interest.*"

Sir EDWARD COKE lays down the maxim that the materials of money should be either gold or silver. Up to his time there was no coinage of copper, but in the reign of CHARLES II (1665–1672), coins of copper were issued under certain restrictions.

The coins, or metallic currency, of the ancient Britons (as stated by CÆSAR,) were made of brass and iron. A limited number of coins of tin were made by JAMES II, to aid him in his necessities (1685–1689). He also authorized coins made from gun metal and pewter.

In SHAKSPEAR'S *Winter's Tale* (act IV, scene 3), it is AUTOLYCUS who placed an emphasis on the promise to pay in the king's coin:

> "*But we pay them for it with stamped coin, not stabbing steel.*"

At various dates in ENGLAND the officers of the mint were of a privileged class. In April, 1644, it was ordered by Parliament that

the officers, ministers, moneyers, and laborers of the mint, should be exempt from jury duty and from arrest. The salaries of these officers were, for several centuries, extremely low, and until the skill and ability of later days exacted and received more liberal compensation. In the thirty-fifth year of HENRY III (1251), the mint warden's salary was two shillings a day; the porter of the mint was satisfied with nine pence per day; the clerk also received nine pence, and the keeper of the dies had only six pence per day. In the reign of EDWARD IV (1461–1483), one person held the offices of comptroller, exchanger, and assayer of the mint, with a salary of £26 13*s.* 4*d.* *per annum.*

By the year 1584 (ELIZABETH), the master or treasurer had his pay augmented to £100 per annum.

The punishment for forgery or alteration of coins was severe. By the Anglo-Saxon laws the guilty party lost his right hand; if made too light by the mint officer, he was guilty of high treason.

For centuries past the first artists of EUROPE have been employed in creating improved designs for the new coins and in the construction of machinery for its creditable execution. Each monarch has endeavored to outdo his predecessor and to perpetuate his own profile to the reigns of his successors. The sovereign may say to his coin designer:

"*This is the very coinage of your brain.*"

As was said by the Queen to HAMLET (act III, scene 4). The brain has been severely taxed for centuries to bring the coinage "to a most prosperous perfection."

It is LONGAVILLE, in *Love's Labor Lost*, who speaks of "*the face of an old Roman coin scarce seen.*"

It is in the *Merchant of Venice* (act II, scene 7), we hear "*They have in England a coin that bears the figure of an angel stamped in gold.*" This was the noted coin known as the angel, which was first coined in the reign of EDWARD IV (1461–1483), and the *angelet*, or half angel, the former weighing eighty grains, value 6*s.* 8*d.*, the latter one-half the weight and value. The angel had the archangel MICHAEL standing with his left foot upon the dragon, and piercing him through the mouth with a spear, the upper end of which terminates in a cross crosslet. The reverse of this coin had a large cross for a mast, with two (sometimes three) ropes fixed to the stern of a vessel. The sun and rose, which appear on other coins of EDWARD IV, are the badge of the House of York.

The coinage of the tenth and twelfth centuries became so debased by clipping and by the fraudulent light coins, that in the reign of HENRY II, A.D. 1180, a French artist by the name of PHILIP AYMARY, a native of Tours, was brought over from FRANCE to create a reform.

A new era has been produced in the middle of the nineteenth century by the discovery of—

" *The cankered heaps of strange-achieved gold* "

in the then remote regions of CALIFORNIA and of AUSTRALIA; adding some two thousand millions in value to the thousands of millions formerly existing. RUSSIA, the great producer of gold in the earlier portions of this century, and MEXICO, the leading producer of silver until now, are both second or third-rate nations, in view of the more active yield of the Pacific slope and of the hills of AUSTRALIA.

The marked change is in the coinage. In the fifty-four years of our own history, from the year 1793, when our own mint was created, to the year 1848, when the vast mineral wealth of CALIFORNIA was first made known, the aggregate coinage at the United States Mint and its three branches was about one hundred and forty-four millions, viz.:

Gold	$ 72,623,929
Silver	70,990,401
Copper	1,145,555
	$ 144,759,885

Now the mint records show that the coinage of the two years, 1861–1862, was $ 148,717,424, and for the twenty-four years since the first product of CALIFORNIA was realized, the aggregate has been $ 1,021,489,645.

In other words, the mint of the UNITED STATES (including the Assay Office at New York) has produced from the year 1793 to the 30th June, 1871, no less than $ 1,166,249,531 in gold and silver coin and fine bars, and in copper coins, viz.:

	Gold.	*Silver.*	*Copper.*	*Total.*
1793 to 1847..	$ 72,623,929 ..	$ 70,990,401 ..	$ 1,145,555 ..	$ 144,759,886
1848 to 1872..	933,246,780 ..	78,085,652 ..	10,157,218 ..	1,021,489,645
79 *years*.	$ 1,005,870,709 ..	$ 149,076,053 ..	$ 11,302,768 ..	$ 1,166,249,531

The activity of the Mints of the UNITED STATES has been exceeded even by that of FRANCE, which produced in one year (1859) the enormous gold coinage of seven hundred millions in francs—equivalent to nearly 140 millions of dollars; while in the years 1867–1868 the silver coinage of FRANCE was 242 millions of francs. For the sixteen years ending in 1870, the gross coinage of FRANCE was nearly six thousand million francs, viz.:

In gold	5,299,850,740	francs.
In silver	566,020,242	"
Total	5,865,870,982	"

The Royal Mint of London was, at the same times, busy in producing its sovereigns and shillings. In the fourteen years, 1858–1871, the gross coinage of gold in ENGLAND was about sixty millions sterling; the heaviest year being that of 1871.

Even these huge sums, it is reported, are exceeded by the recent coinage of the German Empire; the head of NAPOLEON III being superseded, in many millions of coins, by that of WILLIAM.

The coinage has, in fact, assumed such vast aggregates and varieties, that it has now become a desideratum to record, from year to year, the history of the year's results, for the information of the financial and commercial world, and also to present to the eye accurate delineations of the various coins newly created by the leading nations of the world. This latter feature is now initiated. The "*Banker's Almanac for the year* 1873," published at New York, gives details of the coinage of ENGLAND, FRANCE, and the UNITED STATES for each year since 1848, and makes known to the world the faces of no less than thirty-three new coins of EUROPE, the UNITED STATES and JAPAN, viz.: Japan, 9; England, 2; France, 4; Germany, 2; Russia, 1; Sweden, 1; Denmark, 1; Spain, 2; Austria, 3; Italy, 2; Mexico, 1; Portugal, 2; Canada, 1; Netherlands, 1; Wurtemburg, 1.

This feature, if extended from year to year, will soon make known to the world the changes which are now annually made by leading nations. We have now, for the first time in the history of the world, an accurate *resumé* of the workings of the great mints of Christendom, and of the remote Japanese. The originals of all these coins are nowhere to be seen in the world, except at one spot, and that the mint cabinet at Philadelphia.

We may now refer to these important and interesting additions to the coins of the world, and place before the readers of this magazine artistic delineations of the new coins above mentioned, the prolific yield of the years 1869–1872.

The Annual Report of the Director of the United States Mint for the fiscal year ending June 30, 1872, says of AUSTRIA:

"As in other nations of EUROPE the coinage of this empire has been, during the last few years, in a state of transition, we might almost say of confusion. There are three series of gold coins of different bases, and as many of silver, without respect to the differences of device and inscription, growing out of the severance of HUNGARY from AUSTRIA proper.

"They still coin the gold ducat and the quadruple ducat; but they have recently discontinued the souverain, and introduced the four-florin or ten-franc piece, corresponding to the same coin issued in FRANCE and some other countries.

"The fourfold ducat (*vierfache ducaten*), or quadruple, is a beautiful and remarkable coin, and I wish to notice it particularly, because it fulfils certain conditions which have been heretofore spoken of, by which coins can be protected from the most dangerous kind of tampering or fraud. It has a larger diameter than our double eagle, and is of finer metal, and yet has less than half the value of that coin. Of course it is proportionally thin. But this tenuity entirely sets at nought the cunning villany of sawing out the interior, and inserting a disk of inferior metal, by which a few of our coins have been turned into frauds. If it be said that a thin coin cannot well bring up the devises in a coining press, these perfectly struck pieces fur-

nish a reply. On the other hand it must be allowed that there are advantages in having a good body for the coin, and it is not intended to argue the question, but merely to present the point in passing.

"The last Annual Statement of Austrian coinage shows considerable activity, though not what we might expect from a rich and populous empire. This falling off appears to be true, at the present time, of all the Mints in EUROPE, except those of London and Berlin.

"When Austrian rule extended over a part of ITALY there were five mints in the whole realm; now there are three, in AUSTRIA, HUNGARY, and TRANSYLVANIA. The coins struck in HUNGARY, though similar in denominations and value to those of AUSTRIA, bear the language of the Magyars.

"The new gold pieces, one marked eight florins, the other four florins, the latter alone having been struck so far, are intended as an offering to the scheme of international currency, being concurrent with the gold coins of FRANCE, BELGIUM, ITALY, and SWEDEN. It will serve a commercial, but hardly a domestic use in AUSTRIA, since it is not strictly on a par with four silver florins, but is to be rated by agreement of parties. The ducat series, also, is mainly for foreign trade.

"It is surprising that AUSTRIA, and other German powers, still keep up the system of making *billon* coins; base mixtures of silver and copper, which look very well with their whitened surface when they first leave the mint, but soon acquire a mongrel hue, by no means so agreeable as mere copper. By far the largest part of mint work in AUSTRIA, in 1870, was upon these pieces of twenty and ten kreutzers. There is a very large profit on them, as compared with the whole florin piece. The latter is coined at the rate of ninety florins to one kilogram of fine silver. The base pieces are at the rate of one hundred and fifty florins to the kilogram. This new proportion was introduced in 1868.

"It is a curious fact that the thaler, or dollar, of the Empress MARIA THERESA, originally bearing date 1780, has always been a favorite at the eastern ports of the Mediterranean, and for that reason has continued to be coined for that trade ever since. We have a fine specimen coined in 1871, but dated 1780.

"It is worth while to notice for its bearing on an interesting controversy in mint legislation, in which strong minds have taken opposing sides, that in 1868 there was a coinage of some millions of this 'Levant thaler,' mainly to supply the needs of the English army going to the Abyssinian war; not, indeed, to be spent in that far country, but at places along the road. Now, if it were the law in AUSTRIA to coin *without charge*, it would be an exhibition of liberality hard to account for, to help the British Government in that way, and not quite fair towards the opposite party in AFRICA. Yet we would be doing the same thing by making silver dollars to pass in CHINA and INDIA, and dimes for WEST INDIES and SOUTH AMERICA,

and gold coin for any foreign use, without deducting something for the manufacture. ENGLAND is doing this, in sending her gold coin abroad simply as so much bullion. paying the cost of coinage out of her treasury, whereby she has indeed the honor of seeing her sovereign's image and superscription in all lands, and of making a universal commercial currency. Still it is desirable and just to promote the coinage of gold and silver by making the charge as light as possible."

Among the great commercial revolutions of the nineteenth century, and they certainly have exceeded in importance those of any previous century, the recent change in the coinage of JAPAN may be considered as affecting more seriously the world than any other. It is mportant in a commercial aspect, perhaps more so in a social and religious sense. CHINA, after the lapse of a few centuries, opened a few of her ports to the shipping of certain nations JAPAN, after twenty-six centuries (700 B. C. to 1858 A. D.), of almost utter seclusion, executed treaties in the years 1854–1859, whereby commercial relations with the UNITED STATES and GREAT BRITAIN were FOR THE FIRST TIME established. Now, at the end of a few years, this newly-acquired knowledge on the part of JAPAN has opened their eyes to the superiority of Christian nations on certain subjects, viz.: shipping, the coinage, &c. Now, in the year 1872, behold JAPAN, with a population over thirty millions (or about equal to that of the UNITED KINGDOM), adopting essentially the coinage of EUROPE and the UNITED STATES as the standard for the metallic currency of the Japanese.

The silver yen is equivalent in size and fineness to our dollar. The fifty sen correspond with our fifty cents, and slightly depreciated or equal to our coin. The smaller silver coins of JAPAN are likewise depreciated, as is the case with our small coins. The twenty yen, the new gold coin, is within the smallest fraction of our twenty-dollar gold piece. Thus JAPAN, 130 degrees east, and CALIFORNIA, 120 degrees west from Greenwich, are placed upon a level in their circulating medium.

Of the important changes in the mintage of JAPAN, the last Mint Report of the UNITED STATES says:

"By one of those immense strides, which have signalized this country of wonderful progress, a new mint and a new series of coin have been established, taking rank with the foremost. The former Master of the Anglo-Chinese Mint at Hongkong has taken charge of the Mint of JAPAN. It is all the more honorable to the government of that empire that it is ready to make use of aid from abroad so long as it may be needed.

"The gold and silver series are almost coincident with our own in weight and fineness, except the lower class of silver. There are five denominations of gold coin, and as many of silver. They have been thoroughly examined and tested by the proper officers of this mint, and a detailed report upon them was made in May, 1872.

"The gold piece of twenty *yen* is nearly parallel with our piece of twenty dollars. Under this are the denominations of 10, 5, 2 and 1 *yen*. In silver there is the piece of *one yen*, or dollar, for commercial use, and not for home currency; below this the 50, 20, 10 and 5 *sen*, a word corresponding to *cents*. These four pieces are only 800 fine."

Austria.—The present gold coins of Austria are the ducat, value \$ 2.27; the sovereign, \$ 6.72; and the new Union coin, \$ 4.69. The silver coins in use are, the florin, worth 48½ cents; new Union dollar, 73 cents; rix dollar, \$ 1.02; the scudo, \$ 1.02. The florin for circulation in Hungary is delineated below.

Florin of Austria (Hungary). Silver, 1869.

Weight, .397. Fineness, 900. Value, \$ 0.48.5.

The latest gold coin of Austria is known as the four ducats, with the head of Francis Joseph; value in United States currency, \$ 9.13; its fineness is 986–1000. The souverain is no longer coined, but is succeeded by the four florin (or ten franc) piece, corresponding to the same coin of France.

Four Ducats of Austria. Francis Joseph. Gold, 1871.

Weight, .448. Fineness, 986. Value, \$ 9.13.

The latest silver coin of Austria was issued by order of Francis Joseph in 1871, under the title of the Union-Thaler; valued by our mint at 73 cents. The following is a fac-simile:

Union-Thaler of Austria. Francis Joseph. Silver, 1871.

Weight, .596. Fineness, 900. Value, $ 0.73.

The weight herein mentioned and in future delineations in this article, expresses the weight of a single piece in fractions of the troy ounce, carried to the thousandth.

CANADA.—The year 1871 produced a recoinage of the fifty cents of CANADA, with the head of VICTORIA. This coin is issued at a reduced weight, being worth in our currency, only 47 cents.

1871. Canada. Fifty Cents.

Weight, .375. Fineness, 925. Value, $ 0.47.2.

This like all the coins prepared for circulation in CANADA is produced at the Royal Mint, London.

According to an edict of the Emperor of AUSTRIA, in March, 1870, "Instead of the gold crowns and half crowns, the gold pieces hereafter coined shall be of 8 guldens, equal to 20 francs gold; and 4 guldens, equal to 10 francs gold. The 8-gulden piece shall have a diameter of 21 millimeters, 6.45161 grams in weight, and .900 fine gold and .100 copper. The gold coin of 4 guldens shall be 19 millimeters in diameter, 3.22580 grams in weight, and .900 fine gold and .100 copper.

Hence the mint-pound, or half kilogram, containing .900 fine gold and .100 copper, will give 77½ pieces of 8 guldens, or 155 pieces of 4 guldens."

DENMARK.—The latest coin that has reached us from DENMARK, is the two rigsdaler of CHRISTIAN IX, approaching our coined dollar, and worth $ 1.10.

Two Rigsdaler of Christian IX. Silver, 1868.

Weight, .927. Fineness, 877. Value, $1.10.7.

The principal gold coin of DENMARK is the ten-thaler piece, worth at our mint $ 7.86. The other coins in circulation are the Frederick d'or, (16*s.* 10*d.* sterling in value); silver specie dollar, (4*s.* 6*d.*); rix dollar, (2*s.* 3*d.*); mark, (4½*d.*) and skilling, (about one farthing English money). The rix dollar is divided into 6 marks of 16 skillings each.

FRANCE.—The new Republic of FRANCE has discontinued the head of NAPOLEON I, and of NAPOLEON III, in the coins since the year 1870. The new specimens of the Franc are intended to keep the people in mind of " Libertè, Egalitè and Fraternitè." The following is the latest specimen of the Franc, issued in the year 1872.

Franc of the Republic. Silver, 1872.

Weight, .160. Fineness, 835. Value, $0.18.2.

The new motto of the Republic is plainly seen on all the new silver coins, with a representation of a head of Liberty. The following is an illustration of the half franc, known in trade as fifty centimes, where the same characteristics prevail.

Half Franc. Silver, 1871.

Weight, .80. Fineness, 835. Value, $0.9.1.

The fineness of the above coins is a trifle below that of the five francs and of the UNITED STATES small silver coins.

The new five francs is 900-thousandths fine, which is the standard of the U. S. gold coins. In the new coins of the Republic there are three figures inserted, to represent *Libertè, Egalitè and Fraternitè.* The weight is four-fifths of an ounce, and the value, at our Custom House, ninety-eight cents.

Five Francs of the Republic. Silver, 1871.

Weight, .800. Fineness, 900. Value, $0.98.

The present five francs was coined at Bordeaux, during the invasion of Paris by the Germans. There was no gold coined in FRANCE since the war of 1870. The franc, as a coin, was first used in the reign of HENRY III, about the year 1575, of the value of 20 sols, or sous, each. It was disused afterward, and was a synonym for livre. The franc was again brought into use by NAPOLEON I, in the year 1803, and has since maintained its place as the leading coin of FRANCE.

The two-franc piece of the new Republic bears legends similar to those of five francs and one franc, and maintains fully the high reputation of the French mint.

Two Francs of the Republic. Silver, 1872.

Weight, .320. Fineness, 835. Value, $0.36.4.

GERMANY.—The immense sums of coined gold transmitted by FRANCE in payment of the indemnity, serve to keep the German Mint actively at work in decapitating NAPOLEON III and substituting WILLIAM. Of the changes going on in GERMANY, the recent mint report of the UNITED STATES says:

"The new gold coins of the German Empire are the pieces of twenty marks and ten marks, at the rate of 125.55 pieces of ten marks to be coined out of one mint pound [half kilogram] of gold, nine-tenths fine, the larger piece in proportion. This makes the piece of twenty marks to weigh 7.965 grammes, or 122.92 grains troy; and its value, $ 4.76.2. [Ten marks, $ 2.38.1.]

"This does not harmonize with any system, English, French, Austrian, or American, and seems to be a declaration against international standards.

"A very large issue of this money has commenced, the material for which is in a great degree derived from the melting down of coins which lately bore the head of NAPOLEON. A change in the balance of trade, or the influx of Germans, may bring this coin to us in quantities. At present we must be limited to specimens.

"It may seem a small matter, and yet it is significant, that this new money displays the effigy of the Emperor without the wreath of laurel on the brow. It was there recently, while he was KING OF PRUSSIA. But the change of State seems to have brought with it an advance in popular ideas. Monarchs are not so far above their subjects as formerly. Indeed, it is stated that the new coining die was engraved with this ancient mark of distinction on one hand, and subjection on the other; but the Emperor forbade its use, and insisted on appearing without crown or laurel.

"It is plainly the intention that both gold and silver shall be legal tenders in all payments. Yet the two do not fit neatly together. The piece of ten marks is to be equal to $3\frac{1}{3}$ silver thalers, or $5\frac{5}{6}$ florins of SOUTH GERMANY, or 8 marks $5\frac{1}{3}$ schillings of Hamburg. That rate makes the Prussian thaler equal to 71.46 cents [gold] of our money which is just about what it would be worth in gold in the bullion market in LONDON.

"The proposed new coinage charges on gold, when reduced to intelligible terms, are about $\frac{2}{7}$ of 1 per cent. for twenty mark pieces, and $\frac{3}{7}$ for ten mark pieces."

The mark had maintained a circulation in BRITAIN and on the Continent for many centuries. It was a Danish mode of computation, and was probably introduced into BRITAIN in the ninth century. It is mentioned in a treaty between King ALFRED, of BRITAIN, and GUTHRUN, the Danish king, about the year 878. The following is a fac simile of the new twenty marks of GERMANY.

Twenty Marks. William. Gold, 1872.

Weight, .256. Fineness, 900. Value, $4.76.

The marks mentioned in the treaty of 878 were of gold. There was also a silver *mark* early in the tenth century, estimated at one hundred pennies in value; and in the year 1194 (RICHARD I) at one hundred and sixty pennies, or thirteen shillings and four pence.

The new coin above of the German Empire is accompanied by the ten marks of gold, as follows:

Ten Marks. William, Kaiser. Gold, 1871.

Weight, .128. Fineness, 900. Value, $2.38.

The latter is coined at the rate of 125.55 pieces out of one mint pound (or half kilogràm) of gold, nine-tenths (900–1000) fine. These coins do not assimilate with other new coins of the Continent. A large issue of this commenced last year, the material for which is the bullion and coin lately transmitted by FRANCE on account of the indemnity to GERMANY.

GREAT BRITAIN.—While the Royal Mint, in London, has been actively employed since the year 1848, in producing gold and silver coins to the extent of one hundred and twenty-three millions sterling, the mint at Sydney, N. S. W., has produced no less than twenty-eight millions sterling. A new mint has been established at Melbourne, AUSTRALIA, to obviate a previous necessity of sending their gold to London, for coinage.

Of the British coinage we learn from the Annual Mint Report of the UNITED STATES:

"Until recently no official Annual Report of Minting operations was issued, but now there is such a document containing much valuable information, not confined to the amount of British moneys. The Mint officers are thoroughly imbued with the spirit of improvement.

"The Mints of Sydney and Melbourne, in AUSTRALIA, contribute largely to swell the aggregate of gold coin. The last named, which is near the gold fields, has recently gone into operation. Engraved views of the interior of this Mint, which have lately reached us, evince perfection of art and completeness of arrangement. We are surprised, unreasonably, of course, at such results in what was regarded as the end of the earth only a few years since.

"The Anglo-Indian Mints of Calcutta and Bombay, show, by their annual reports, much activity and a large amount of work, especially in silver. Great system is manifest, and the average fineness is identical with the legal standard, or as nearly so as can anywhere be shown."

The Sovereign. 1872.

Weight, .256.6. Fineness, 916.5. Value, $4.86.

The origin of the sovereign, as a coin, is traced back to the year 1489, three years before the discovery of AMERICA. In that year the Master of the Royal Mint was ordered to make a new money of gold according to the print and form of a piece of lead annexed to the patent. The coin to be double the weight of the *Royal*—a coin then in use. Twenty-two and-a-half of the new piece to be coined out of the pound weight in the tower.

The St. George Sovereign. 1872.

Weight, .256.6. Fineness, 916.5. Value, $4.86.

The *Half Sovereign* followed in the year 1504, in the reign of HENRY VII. At that period were current the English coins named ryal, half ryal, the fourth part of a ryal, the half angel. The smaller coins used in change were the groat and the half groat.

ITALY.—The last coin of the Pope is known as the two lire, issued in 1869, and worth, in our currency a little over thirty-six cents.

Two Lire of Pope Pius IX. Silver, 1869.

Weight, .320. Fineness, 835. Value, $0.36.4.

The head of Pope PIUS IX, is conspicuous, with the legend *Stato Pontificio.* The Papal coinage ceased in the year above named.

The coin currency of ITALY is now the twenty lire of gold, worth $3.82; the five lire of silver, worth 98 cents; and the silver lira (of a reduced fineness), worth 18 cents. The five lire presents the head or VICTOR EMANUEL, and the legend REGNO D' ITALIA.

KINGDOM OF ITALY. Five Lire. Victor Emanuel. Silver, 1869.

Weight, .800. Fineness, 900. Value, $0.98.

The coinage of ITALY, in former centuries, is amply illustrated by writers of note, viz.: ARGELATI, 1759; BELLINI, 1755–1779; CARLI-RUBBI, 1754; FIORAVANTI, 1734; and ZANETTI, 1789.

MEXICO.—The Republic continues to coin the dollar, called there, the *peso*, with a value in our currency of $1.06½, of which the annexed is a fac-simile:

Peso (or Dollar) of the Republic. Silver, 1869.

Weight, .867.5. Fineness, 903. Value, $1.06.5.

The *peso* is equivalent to the *piastre* of eight reals. We have no recent official data of the extent of the coinage in MEXICO.

NETHERLANDS.—The guilder maintains a large place in the coin currency of the NETHERLANDS. The gold piece known as 10 guilders, is worth, at the United States Mint, $3.97, a fraction above the twenty francs. The 2½ guilders is the leading silver coin of the country.

Two and a-half Guilders. William III. Silver, 1869.

Weight, .804. Fineness, 944. Value $1.03.

The last specimen of 2½ guilders is dated 1869, with the head of WILLIAM III, valued at $ 1.03 at our mint, or about forty cents per guilder.

PORTUGAL.—Among the recent contributions to numismatic science is the gold *coroa* of PORTUGAL, or 5000 reis, equal to $ 5.80½ of our metallic currency. This is issued with the head of LUDOVICO I. The following is a fac-simile:

Gold Coroa or 5000 Reis. 1871.

Weight, .308. Fineness, 912. Value, $5.80.5.

The silver coin issued in 1871, as 500 reis, has a value of forty-nine cents of our money, being valued more commercially than it is when melted at our mints. It preserves a due relation to the gold coin above; it should be, with us, worth about fifty-eight cents.

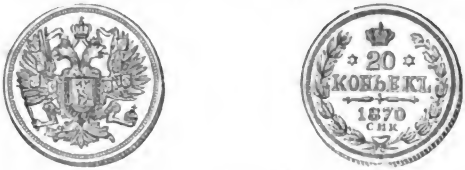
500 Reis of Portugal. Silver, 1871.

Weight, .400. Fineness, 912. Value, $0.49.6.

The *coroa*, or 5000 reis, is just equal to the gold *coroa* of PORTUGAL. There are current in PORTUGAL gold coins of 4800 reis, 5000 reis, and 8000 reis. The chief silver coins are the testa (100 reis); the crusado moro (486 reis), and the milrei, or dollar, 1000 reis.

RUSSIA.—But slight changes have been effected in the coinage of RUSSIA of late years. The silver piece of *twenty copecks* was largely issued in the year 1870, according to the annexed engraving:

RUSSIA. Twenty Copecks. Silver, 1870.



Weight, .11.2. Fineness, 875. Value, $0.13.3.

There are still in use the *five rubles* of gold, value 16*s.* $4\frac{5}{8}$*d.* sterling. The only other gold coin of RUSSIA is known as the *ducat*. Besides these is the silver *ruble*, value 3*s.* $2\frac{3}{4}$*d.*, or 79 cents four-tenths of our money; also, the silver *poltina*, or 50 copecks, value about 40 cents, and the silver pieces of 25 copecks, 20 copecks, 15 copecks, 10 copecks, and 5 copecks; a platina coin of six rubles, value about $ 4.70; and platina *ducat*, value about $2.35.

Platinum is no longer used by their mints. The smaller silver coins have an obvious reduction in weight, and are more used as tokens. Their mint values being below the legal standard, as with the small silver coins of the UNITED STATES. RUSSIA produces gold annually about four millions sterling in value, or twenty millions of dollars.

SPAIN.—The new coins of SPAIN show the important political changes of that country. The new *five pesetas* of 1871 have the head of AMADEO, who has already abdicated, leaving his effigy among the silver currency of the people. This coin approaches in value the silver dollar of the UNITED STATES.

Five Pesetas of Amadeo I. Silver, 1871.

Weight, .800. Fineness, 900. Value, $0.98.

Besides the new silver coin of AMADEO, the Spanish mint is represented by the *five pesetas*, having the full length recumbent figure of Republican SPAIN stretched from the Pyrenees to Gibraltar.

Five Pesetas of the Republic of Spain. 1870.

Weight, .800. Fineness, 900. Value, $0.98.

This was replaced in 1871–2 by the coin of AMADEO. This, in turn will soon be relinquished for another coin of the new Republic. The five-franc piece of FRANCE circulates freely in SPAIN.

SWEDEN.—A new gold coin, under the name of the *Carolin* has been issued by SWEDEN, equivalent to ten francs, according to the French standard. The latest coin of the Swedish Mint is the *four riksdaler* (or specie daler) represented by the following engraving. It has the head of CARL XV, and is worth $ 1.11½ at our mint.

Sweden. Four Riksdaler. 1870.

or Specie Daler of Sweden.

Weight, 1,092. Fineness, 750. Value, $1.11.5.

The gold ducat of SWEDEN is worth, at our Custom House, $ 2.22½. Their gold *carolin* is worth, at our mint, $1.91½. Sweden produces gold and silver in small sums only. Its iron is of the most noted quality. It produces also lead, nickel and zinc.

WURTEMBERG.—The *double thaler* of 1869, of silver, is considered one of the finest specimens of modern coins.

Double Thaler of Carl, Koenig. Silver, 1869.

Weight, 1.190. Fineness, 900. Value, $ 1.46.

This kingdom and others having been lately absorbed into the Empire of GERMANY, their distinctive coinage has ceased. This piece is inserted for its rare beauty, and as a memento of the past condition of those States.

Of the smaller German States there were recently issued various specimens in silver and copper, viz.: in Bavaria, Baden and Hanover.

The last Annual Report of the Mint of the UNITED STATES says of these new issues: "They are chiefly interesting for two reasons: That this is the last of them on account of being merged in the new empire, and that they are such perfect specimens of the minting art. In this latter respect they must claim the victory over the coins of much larger countries. Perhaps their mints have so little to do that they can afford to do it as if a prize awaited them."

Those who wish to examine more closely the engraved fac-similes of the new coins of JAPAN will find nine of them fully illustrated in the "*Bankers' Almanac* for 1873," before referred to. We present herewith an illustration of the largest.

Japan. Gold Coins. Twenty Yen.

Weight, 1.072. Fineness, 900. Value, $ 19.94.

The Sun and the Dragon are conspicuous emblems in these coins. The Sun represents Japan, the Dragon represents the Imperial

Power. The legends on all the coins are "*The Great Sun Rising*," and "*Third Year of Peace and Enlightenment*." Then follow the name and value of each coin.

The five yen gold coin annexed is one-fourth the value of the new coin above shown..

Five Yen of Japan. 1872.

Weight, 268. Fineness, 900. Value, $4.98½.

The *yen* of JAPAN approaches in value and size the silver dollar of the UNITED STATES. The figures nearly resemble those of the gold coin above represented.

Japan. Silver Coins. One Yen. 1872.

☞ Our half dollar is approached in size and weight by the fifty sen, (now given); the standard being 800 fine, instead of 900.

Fifty Sen. 1872.

Weight, 402. Fineness, 800. Value, $0.44.6.

The relative values of the new coins of JAPAN, illustrated in the *Banker's Almanac*, are as follows:

JAPAN.

		Weight.		*Fineness.*		*Value.*
One Yen	Silver.	.866	....	900	....	1.00.8
Fifty Sen	"	.402	....	800	....	0.44.6
Twenty Sen	"	.160.8	....	800	....	0.17.8
Ten Sen	"	.80.4	....	800	....	0.08.9
Five Sen	"	.40.2	....	800	....	0.05
Twenty Yen	Gold.	1.072	....	900	....	19.94
Five Yen	"	.268	....	900	....	4.98.5
Two Yen	"	.107	....	900	....	1.99.4
One Yen	"	.53.5	....	900	....	0.99.5

To return to the Continent of AMERICA. It is interesting to record the accumulations of gold and silver in the Pacific States. CALIFORNIA has deposited 642 millions of gold for coinage, besides unnumbered millions that have been produced and exported through private hands. MONTANA, $ 20,825,103; COLORADO, $ 21,452,964; IDAHO, $ 17,433,205; OREGON, $ 11,596,843; NEVADA, $ 9,550,148 (mainly silver); ARIZONA, UTAH, NEW MEXICO, DAKOTA, WYOMING, each contributes to the uncounted heaps of precious metals now in course of distribution and waste.

The mint of the UNITED STATES was established at Philadelphia by act of April 2, 1792. The coinage of the first three years was only $ 453,541, and to the close of the century, only two and a-half millions. The coinage of any one year did not exceed one million of dollars until the embargo year of 1807. In the year 1826 it exceeded, for the first time, two millions of dollars. In 1827 it reached a little over three millions. In 1834 it exceeded seven millions; in 1843, eleven millions; and in 1847 it was over twenty-two millions.

The first branch of the mint was established at New Orleans, year 1838, followed by branches the same year at Charlotte in NORTH CAROLINA, and Dahlonega in the State of GEORGIA; both States being at that time the largest gold-producing States of the Union. No further branches were proposed until the gold of CALIFORNIA became so abundant that a mint at San Francisco was created in the year 1854, and an assay office at New York in the same year. The importance of the former is illustrated by the fact that the operations there have been larger than at the parent mint in the last twenty years. The development of the mining regions of MONTANA, COLORADO, and IDAHO led to the establishment of branch mints at Denver in 1863, at Carson City in 1870, and at Boise City in 1872.

The first accessions of gold from CALIFORNIA were shown in the years 1849-1850, from which time the deposits of American gold and silver rapidly increased until the year 1861, when the coinage reached its maximum, $ 83,693,767. Since that time the annual coinage has ranged from twenty-four to sixty-five millions; the reduction being attributed to the fact that gold was more freely exported in a crude state or in bars. To June 30, 1872, the gross coinage was $ 1,215,789,416, viz.:

COINAGE OF THE MINT OF THE U. S. AND BRANCHES.

Summary Exhibit of the Coinage of the Mint and Branches, to the close of the Year, ending June 30, 1872.

MINTS.	Commencement of Coinage.	Gold Coinage. Value.	Silver Coinage. Value.	Copper Coinage. Value.	ENTIRE COINAGE. Pieces.	ENTIRE COINAGE. Value.
Philadelphia, ...	1793	$453,436,482 29	$104,662,012 41	$11,425,788 55	1,113 976,859	$569,524,283 25
San Francisco, ...	1854	338,026,553 26	9,729,712 48	. . . . .	36,970,749	347,756,265 74
New Orleans (to Jan. 31, 1861)	1838	40,381,615 00	29,890,037 03	. . . . .	94,890,695	70,271,652 03
Charlotte (to March 31, 1861)	1838	5,048,641 50	. . . . .	. . . . .	1,206,954	5,048,641 50
Dahlonega (to Feb'y 28, 1861)	1838	6,121,919 00	. . . . .	. . . . .	1,381,784	6,121,919 00
New York City, ...	1854	192,325,800 44	8,117,457 72	. . . . .	. . . . .	200,443,258 16
Denver, Colorado, ...	1863	5,635,185 00	18,561 63	. . . . .	. . . . .	5,653,746 63
Carson City, Nevada, . . .	1870	874,641 05	10,006,607 08	. . . . .	441,449	10,881,248 13
Charlotte (re-opened), . . .	1869	50,069 75	681 88	. . . . .	. . . . .	50,751 63
Boise City, Idaho	1872	37,650 32	. . . . .	. . . . .	. . . . .	37,650 32
Total, ...		$1,041,938,557 61	$162,425,070 23	$11,425,788 55	1,248,868,490	$1,215,789,416 39

The first director of the mint of the UNITED STATES was Mr. DAVID RITTENHOUSE; others followed at the dates named below:

List of Directors of the Mint of the United States.

Names.	*Date of Appointment.*		
David Rittenhouse	April	14,	1792.
Henry William De Saussure	July	8,	1795.
Elias Boudinot	October	28,	1795.
Robert Patterson	January	17,	1806.
Samuel Moore	July	15,	1824.
Robert M. Patterson	May	26,	1835.
George N. Eckert	June	30,	1851.
Thomas M. Pettit	April	4,	1853.
James Ross Snowden	June	3,	1853.
James Pollock	May,	—	1861.
William Millward *	October,	—	1866.
H. R. Linderman	April,	—	1867.
James Pollock †	May,	—	1869.
H. R. Linderman (Washington)	March,	—	1873.

An important change in the management of the mint was effected in February, 1873, by a removal of the office of director from Philadelphia to Washington, as a branch of the treasury; the appointment of director being given to Mr. H. R. LINDERMAN, who had been director of the mint from 1867 to 1869; the operations at Philadelphia being still under the control of the former officers.

Under the new regime a new coin has been created, under the act of Congress of 1873, entitled the *trade dollar*, which is now in use for export to CHINA, EUROPE, and other portions of the world. It has for its obverse a female figure seated on a bale of cotton, and extending the right hand, grasping an olive branch, toward the open sea. In the left hand is a scroll bearing the word "Liberty," and at the base of the device is the motto, "In God we trust." The date of the coinage (1873) appears upon the obverse, together with the halo of thirteen stars. The reverse is the figure of an eagle, with the inscription "UNITED STATES OF AMERICA," and the motto "E Pluribus Unum." The weight and fineness, with the words, "Trade dollar," are also inscribed on the reverse.

*Not confirmed. † Re-appointed.

While some of the older mining regions of CALIFORNIA are producing less than formerly, the later fields are more productive than before. NEVADA is exceedingly rich in silver. The Director of the mint at Carson City reports in 1872:

"The past year's experience on the Comstock lode has established a point upon which there had been hitherto some uncertainty in the public mind, and some among experts in mining matters, viz., that in the deeper workings of the mines deposits of ore are reached even more extensive and rich than are found nearer the surface. This has created greater faith in the permanence of the lode, and greater confidence in exploring and working it. The developments in the lowest levels of some of the prominent mines, at a depth of fifteen hundred feet, have given a fresh impetus to work upon the lode. Many partially prospected claims upon which work had been for some time suspended have again been opened; new and extensive hoisting machinery provided, and some are already showing veins of pay matter."

The vast increase in the coinage since 1848–9, is more fully shown in the annexed summary.

COINAGE OF THE UNITED STATES, TWENTY-FOUR YEARS.

Year.	*Gold.*	*Silver.*	*Copper,*	*Total.*
1848	$ 3,775,512	$ 2,040,050	$ 64,158	$ 5,879,720
1849	9,007,761	2,114,950	41,984	11,164,695
1850	31,981,738	1,866,100	44,467	33,892,305
1851	62,614,492	774,397	99,635	63,488,524
1852	56,846,187	999,410	50,630	57,896,227
1853	55,213,907	9,077,571	67,060	64,358,538
1854	52,094,595	8,619,270	42,638	60,756,503
1855	52,795,457	3,501,245	16,030	56,312,732
1856	59,343,365	5,196,670	27,106	64,567,141
1857*	25,183,138	1,601,644	63,510	26,848,292
1858	52,889,800	8,233,288	234,000	61,357,088
1859	30,409,954	6,833,631	307,000	37,550,585
1860	23,447,283	3,250,635	342,000	27,039,918
1861	80,708,400	2,883,707	101,660	83,693,767
1862	61,676,576	3,231,081	116,000	65,023,657
1863	22,645,730	1,564,297	478,450	24,688,477
1864	23,982,748	850,086	463,800	25,296,634
1865	30,685,700	950,218	1,183,330	32,819,248
1866	37,429,430	1,596,646	646,570	39,672,646
1867	39,838,878	1,562,694	1,879,540	43,281,112
1868	24,141,235	1,592,986	1,713,385	27,447,606
1869	32,027,966	1,574,937	1,279,055	34,881,958
1870	30,103,364	2,670,054	611,445	33,384,863
1871	34,403,564	5,500,085	283,760	40,187,409
24 years	$ 933,246,780	$ 78,085,652	$ 10,157,213	$ 1,021,489,615
To 1847	72,623,929	70,990,401	1,145,555	144,759,886
79 years	$ 1,005,870,709	$ 149,076,053	$ 11,302,768	$ 1,166,249,531

* Six months only; the fiscal year which had previously terminated on the 31st of December, was in 1857 altered to 30th June, to correspond with the financial year of the Treasury of the U. S.

Coinage of Gold (nine years, 1848–56) at the **Mints** of **Great Britain France**, and the **United States**.

Total Coinage.		*Years.*		*England.*		*France.*		*United States.*
£4,807,000	..	1848	..	£2,452,000	..	£1,600,000	..	£755,000
5,058,000	..	1849	..	2,178,000	..	1,080,000	..	1,800,000
12,492,000	..	1850	..	1,492,000	..	4,600,000	..	6,4400,000
26,523,000	..	1851	..	4,400,000	..	9,600,000	..	12,523,000
£48,880,000	..	1848–51	..	£10,522,000	..	£16,880,000	..	£21,478,000
21,152,000	..	1852	..	8,742,000	..	1,040,000	..	11,370,000
36,195,000	..	1853	..	11,952,000	..	13,200,000	..	11,043,000
35,052,000	..	1854	..	4,152,000	..	20,480,000	..	10,420,000
33,658,000	..	1855	..	9,008,000	..	16,417,000	..	8,233,000
32,336,000	..	1856	..	6,002,000	..	20,334,000	..	6,000,000
£158,393,000	..	1852–56	..	£39,856,000	..	£71,471,000	..	£46,066,000
£207,273,000		General Totals		£50,378,000	..	£88,351,000	..	£68,544,000

II.—**Mints** of **England**, **France**, the U. S., and **Sydney**, since 1856.

Total Coinage. £		*Years.*		*English.* £		*French.* £		*United States.* £		*Sydney.* £
41,738,000	..	1857	..	4,860,000	..	22,902,000	..	‡13,209,000	..	767,000
32,700,000	..	1858	..	1,231,000	..	19,548,000	..	10,578,000	..	1,343,000
37,161,000	..	1859	..	2,650,000	..	*27,208,000	..	6,082,000	..	1,221,000
27,400,000	..	1860	..	3,121,000	..	17,938,000	..	4,689,000	..	1,652,000
29,981,000	..	1861	..	8,191,000	..	3,929,000	..	16,142,000	..	1,719,000
168,980,000	..	1857–61	..	20,053,000	..	91,525,000	..	50,700,000	..	6,702,000
31,219,000	..	1862	..	7,836,000	..	8,570,000	..	12,335,000	..	2,478,000
21,081,000	..	1863	..	6,608,000	..	8,409,000	..	4,529,000	..	1,535,000
27,984,000	..	1864	..	9,535,000	..	10,954,000	..	4,796,000	..	2,699,000
17,251,000	..	1865	..	2,367,000	..	6,475,000	..	6,137,000	..	2,272,000
30,076,000	..	1866	..	5,076,000	..	14,603,000	..	7,486,000	..	2,911,000
127,611,000	..	1862–66	..	31,422,000	..	49,011,000	..	35,283,000	..	11,895,000
18,793,000	..	1867	..	497,000	..	7,943,000	..	7,952,000	..	2,401,000
22,403,000	..	1868	..	1,653,000	..	13,603,000	..	4,828,000	..	2,319,000
24,426,000	..	1869	..	7,372,000	..	9,368,000	..	6,407,000	..	1,279,000
8,516,000	..	1870	..	2,313,000	..	†	..	4,983,000	..	1,220,000
18,052,000	..	1871	..	9,920,000	..	†	..	6,882,000	..	‡1,250,000
92,190,000	..	1867–71	..	21,755,000	..	30,914,000	..	31,052,000	..	8,469,000
388,781,000	..		..	73,230,000	..	171,450,000	..	117,035,000	..	27,066,000
209,006,000	..	Add for 9 y'rs ending 1856.	..	50,378,000	..	88,357,000	..	68,544,000	..	1,733,000
597,787,000	..	G. Total, 1848–71.	..	123,608,000	..	259,801,000	..	185,579,000	..	28,799,000

* The gross amount coined was £28,105,000, but nearly a million was recoinage. The figure here given is the net amount.

† Interrupted by war of 1870–71, and issue of inconvertible paper. ‡ Estimate only.

‡ We regret that we have not the exact figure for this year before us, but we do not believe there is any error in what we have put down. The total coinage of the decade ending 1857 was nearly £8[illegible],000,[illegible]00, and the coinage of the previous nine years was £68,500,000.

THE CURRENCY.

Congress met on the first day of December. The Committees were named the same week, consisting as follows on financial questions:

HOUSE OF REPRESENTATIVES.—*Committee on Ways and Means.*—Messrs. Dawes, of Massachusetts; Kelley, of Pennsylvania; Burchard, of Illinois; E. H. Roberts, of New York; Kasson, of Iowa; Waldron, of Michigan; Sheldon, of Louisiana; Foster, of Ohio; Beck, of Kentucky; Niblack, of Indiana, and Wood, of New York.

Committee on Banking and Currency.—Messrs. Maynard, of Tennessee; Farwell, of Illinois; Merriam, of New York; Hawley, of Connecticut; Hunter, of Indiana; Phelps, of New Jersey; Hubbell, of Michigan; Niles, of Mississippi; Randall, of Pennsylvania; Mitchell, of Wisconsin; and Durham, of Kentucky.

THE SENATE.—*Committee on Finance.*—Messrs. Sherman, of Ohio; Morrill of Vermont; Scott, Wright, Ferry, of Michigan; Fenton and Bayard.

Committee on Commerce.—Messrs. Chandler, Spencer, Conkling, Buckingham, Boutwell, Gordon and Dennis.

Committee on Railroads.—Messrs. Stewart, Scott, West, Ramsey, Hitchcock, Cragin, Howe, Frelinghuysen, Hamilton of Texas, Ransom and Kelley.

CURRENCY REFORM.—One of the best contributions of the present year to banking literature is an article on "*the Resumption of Specie Payments;*" written by Mr. LYMAN H. ATWATER, and contained in *Scribner's Monthly Magazine* for December, pages 217–229. Those bankers who take a deep interest in the subject, will find Mr. ATWATER's article well worth perusal.

SPECIE PAYMENTS.—Our readers will find in the early portion of this number, an able article entitled "*Reform of the Currency,*" from the pen of Mr. JOSEPH S. ROPES, of Boston, read before the American Social Science Association in May last. Mr. ROPES is one of the able merchants of Boston, and President of the Board of Trade of that city. Our readers will observe how clearly and fully he pointed out, IN MAY LAST, the coming financial storm of the year 1873.

Thirty-five years ago THOMAS H. BENTON, "Old Bullion," as he was called, delivered a speech upon finances in the United States Senate, in the course of which he made some remarks which come to a prominent issue of to-day. One passage was as follows: "One of the highest functions of money is to measure values; that is a function which paper cannot perform. The measure of values must itself

possess intrinsic value, and must itself be free from sudden or material variations of value. It must have a uniform and universal value. As well might you attempt to make a measure of lengths out of that which has no length; a measure of weight out of that which has no weight; a measure of quantities out of that which has no capacity to hold any quantity, as to endeavor to make a measure out of that which has no intrinsic value. The precious metals alone can constitute a measure of values; paper money can measure the value of nothing, not even of itself; its own value is eternally measured by its reaction—by its convertibility—into specie." This is stating the case strongly, and few will deny the truth of the assertion, but our difficulty is to discover a method by which we can return to specie payment in the shortest possible time consistent with the business interests of the country. As yet the problem is unsolved.

FOREIGN LOANS.—The credit of numerous foreign governments is at a low ebb in Lombard Street. That of the Spanish countries of SOUTH AMERICA, shows the lamentable results of a neglect of the ordinary principles of integrity and punctuality. The following are quotations in November:

Italian	57	..	57¼
Spanish	19⅛	..	19⅜
French Loan, 6 per cent.	99¾	..	100¼
do. 5 per cent.	90½	..	91½
Turkey	48¼	..	48¾
Honduras, 1870	16½	..	17½
Paraguay, 1871	30	..	31
Mexican	15	..	15¼
St. Domingo	19	..	21
Costa Rica, 6 per cent	47	..	49
Bolivian	40½	..	41½

EFFECTS OF UNREDEEMABLE PAPER.—The absence of specie payments removes one of the chief checks to the excessive accumulation of foreign indebtedness, as well as other forms of feverish and exaggerated commercial action. We are not of those who entertain a rabid dread of all foreign indebtedness. So long as capital can be borrowed from the old world, at rates which enable us to employ it in developing the resources of our own country at a profit, we hold that such use of it is alike advantageous to EUROPE and the UNITED STATES. Indebtedness to EUROPE thus incurred is not a bad omen. Indebtedness incurred for luxuries which we consume, but cannot pray for, or for internal improvements and railroads, which will not pay interest on the loans obtained to construct them, are evil, evil only, and that continually.

—*Scribner's Monthly Magazine*.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 472, December No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of November, 1873, compared with the same period in the years 1868–72. The figures in full-face type denote the lowest and highest quotations of the month:

	NOV.	1873.		1872.		1871.		1870.		1869.		1868.	
1	Saturday ..	8⅛	8¾	11⅞	12⅝	12	**12⅝**	11¼	11½	28	**28⅝**	Sun.	
2	**Sunday**.	Sun.		**11⅝**	12	12	12¼	10⅞	11¼	27¼	28	33	33¼
3	Monday ...	7½	8¼	Sun.		11⅝	12	10½	10⅞	27⅛	27⅝	33¼	33¾
4	Tuesday ...	Holiday		11⅝	12⅜	11¾	12	**10**	10½	26⅝	27¼	33	33¾
5	Wednesday	6⅞	7⅝	Holiday.		Sun.		10¼	10½	26¼	27¼	32⅝	32¾
6	Thursday ..	6⅛	7	11⅞	12⅝	11⅞	12⅛	Sun.		26½	27⅝	**32⅛**	33
7	Friday	6¼	7½	12⅜	12¾	Holiday.		10½	10⅞	Sun.		33¾	34⅛
8	Saturday ..	7	7⅛	12⅜	13	11¾	11⅞	10½	10¾	26⅝	26⅞	Sun.	
9	**Sunday**.	Sun.		13⅛	13¾	11⅝	11⅞	10⅝	10⅝	26¾	27⅛	34⅛	34¾
10	Monday ...	7¼	7¾	Sun.		11¼	11⅝	10⅝	10¾	26⅞	27⅛	34⅝	35¾
11	Tuesday ..	7¼	7⅝	13⅜	**14¼**	11⅝	11½	10¾	11⅛	26½	27	33¾	34⅞
12	Wednesday	7	7½	13⅛	13⅞	Sun.		11	11⅜	26⅝	27	33⅝	34½
13	Thursday .	7⅝	8¼	13¼	13⅝	11⅛	11⅜	Sun.		26¾	27	33⅞	34
14	Friday	8¼	9⅞	13⅛	13½	11	11⅜	11¾	12¾	Sun.		34¼	35
15	Saturday ..	8⅞	10	13¼	13¾	11⅛	11⅜	10⅞	11½	26⅝	27¼	Sun.	
16	**Sunday**.	Sun.		13½	13¾	11	11¼	11¾	12½	27⅛	27¼	35½	**37**
17	Monday ...	9¼	9⅞	Sun.		11⅛	11½	12⅜	**13½**	26⅞	27⅛	34¼	36⅝
18	Tuesday ..	9¼	10¼	13½	13¾	11	11⅛	12½	13¼	Holiday.		33⅞	35⅛
19	Wednesday	9⅛	9⅞	13¼	13⅝	Sun.		12⅛	12¾	26½	26¾	34½	35
20	Thursday ..	8⅝	9⅛	13	13⅝	10¾	11	Sun.		26⅝	26⅝	34¼	35
21	Friday	9⅝	10¼	13	13⅝	10⅝	10¾	11½	11¾	Sun.		34⅝	34¾
22	Saturday ..	9¾	10½	13	14	10⅝	10⅞	11⅝	12	26⅝	26½	Sun.	
23	**Sunday**.	Sun.		12⅝	13⅝	10⅝	10⅞	11⅝	12⅛	26½	26⅞	34	34¾
24	Monday .. .	9⅝	10	Sun.		10¾	11⅛	Holiday.		26	26⅝	34½	34⅞
25	Tuesday ...	9⅛	9⅝	12⅝	13⅛	10¾	10⅞	11¾	12⅛	24⅞	25¾	34½	35½
26	Wednesday	8⅞	9¼	12¾	13	Sun.		11¾	12	24⅝	24⅞	Holiday.	
27	Thursday ..	Holiday.		12⅝	12⅞	10¾	11	Sun.		24¼	25⅛	35	35⅞
28	Friday	9¼	9¾	Holiday.		10¾	11	11½	11½	Sun.		34¾	35⅝
29	Saturday ..	8⅝	9⅛	12⅜	12⅝	**10⅝**	10½	11	11⅜	21½	23	Sun.	
30	**Sunday**.	Sun.		12½	12¾	Thanks'g		10¾	11	**21⅛**	23⅛	35⅛	35¾

MONTHLY PREMIUM ON GOLD AT NEW YORK, 1868–73.

DATE.	1868.		1869.		1870.		1871.		1872.		1873.	
January ..	33¼	42¼	34⅝	36⅞	19⅝	23¼	10½	11¼	8½	10⅛	11⅝	14¼
February .	39⅝	44	30⅞	36⅛	15	21¼	10¾	12¼	9½	11	12⅞	15⅛
March	37⅞	41⅜	30¼	32½	10¼	16	10⅛	11⅝	9¾	10½	14⅝	18½
April	37¾	40⅜	31⅝	34¾	11½	15⅝	10⅛	11¾	9⅞	13½	16¾	19⅛
May	39⅛	40½	34⅝	44¾	13¾	15½	11	12¼	12⅛	14⅝	16⅝	18⅝
June	39⅝	41¼	37	39⅝	10⅞	14¾	11¾	13⅛	13	14¾	15	18¼
July	40⅛	45¼	34	37⅞	11⅛	22¾	11¾	13⅝	13½	15¼	15	16⅝
August ...	43½	50	31¼	36⅝	14¾	22	11⅝	13¼	12⅛	15⅝	14⅜	16¼
September.	41⅛	45¼	33⅛	62½	12¾	16¾	12¾	15⅝	12¾	15⅛	10⅞	16⅛
October...	33¾	40⅝	28⅛	31¾	11⅛	14¼	11½	15	12¼	15⅛	7⅝	11¼
November.	32⅛	37	21⅛	28⅝	10	13¼	10⅝	12⅝	13⅝	14¼	—	—
December.	34½	36¾	19	24	10½	11⅝	8⅜	10⅜	11½	13¼	—	—

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(*Continued from page* 439, *December No.*)

STOCKS.	SEPT., 1873. *Lowest.*	SEPT., 1873. *Highest.*	OCT., 1873. *Lowest.*	OCT., 1873. *Highest.*	NOV., 1873. *Lowest.*	NOV., 1873. *Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	115¼	119⅞	111½	116	112¼	115½
" Five-Twenty of 1862, "	113⅜	113⅞	105	109	105½	109¼
" " 1864, "	114¼	117¼	106⅛	110	106¼	111
" " 1865, "	110	118¾	107½	111⅝	107¼	111
" " 1865, New, "	111¼	116⅞	109¾	113⅞	109	114
" " 1867, "	113¾	119¼	110½	115¼	110½	114⅞
" " 1868, "	113	118⅞	110¼	115	110	115
" Ten-Forty Coupon Bonds.....	116	114¾	105	110½	105	108½
" Five per cent. of 1881.........	111½	114⅞	106⅝	109¼	106¼	110
" Six per cent. Currency.........	107¾	113⅜	108¼	111⅝	108	110⅜
Tenn. Six per cent. Bonds, Old.....	72	82⅝	68	75	62	72¼
" " " New.....	72½	82	69	74¾	62	72½
Virginia Six per cent. Bonds, Old..	..	..	35	35	..	..
" " " New....	..	..	..	..	..	..
" " " Consol..	51	52	43½	48½	45	50½
N. Carolina Six per ct. Bonds......	27	27½	..	..	18	18
" " New.......	..	..	..	..	..	..
" " Special Tax	..	..	..	..	..	..
S. C. Six per ct. Bds. Jan. & July..	14	14	9	11	8¼	10
" " April & Oct..	14	30	..	..	..	..
Missouri Six per cent. Bonds........	84	92¼	85	89¾	85	89
Canton Company of Maryland.....	70	98½	55	80	55	60
Delaware and Hudson Canal Co....	111	114	100	109	99	110
Consolidated Coal Co. of Maryland.	40	54¼	38	47	38	47
Quicksilver Mining Company......	18	35½	20	23½	20	28
" " Preferred	30	45	27	27	25	28
Mariposa Mining Company........	..	..	..	..	..	..
" " Preferred	..	..	..	..	..	..
Western Union Telegraph Co.	54¼	92½	45	73½	43½	68⅜
Pacific Mail Steamship Company..	31	44⅝	25	37¼	25	33⅜
Adams Express Company..........	84½	92¼	78	85	76	85
Wells, Fargo & Co. Express Co....	56	75	55½	69	59	65
American Merchants' Union Express	57½	62⅝	50	60	41	60
United States Express............	51	68⅛	44¾	60	45	60
N. Y. Cent. and Hudson River R. R.	89	105⅛	80⅜	96	77⅞	92⅛
Erie Railroad, Common...........	50¾	59⅞	44½	53⅛	35⅝	47
" Preferred...........	66	73½	64½	70¾	56¾	67
Harlem Railroad, Common Shares.	90	130¼	100	119	99⅞	115½
Reading Railroad Shares..........	..	..	..	..	..	..

Stocks.	Sept., 1873. Lowest.	Sept., 1873. Highest.	Oct., 1873. Lowest.	Oct., 1873. Highest.	Nov., 1873. Lowest.	Nov., 1873. Highest.
N. York & New Haven R.R. Shares..	135½	136½	116½	130	112½	125
Michigan Central Railroad Co.....	80	90¾	65	79	65	81
Lake Shore & Mich. Southern R.R..	73	93	58	79	57¼	73¾
Panama Railroad Company Shares..	84	117½	80	100	77½	90
Union Pacific Railroad " ..	17½	27½	15¼	21⅝	14¾	26½
Illinois Central Railroad " ..	103½	105½	92	100	90	99
Cleveland & Pittsburgh R.R. " Gtd.	79½	87½	73¾	83½	72	80½
" Col., Cinn. & Ind. R.R...	78	85	67½	78	65	69½
Chicago, Rock Island & Pacific R.R.	86	108⅞	84½	96½	83¼	94½
" Burlington & Quincy "	90	98½	84⅛	92¾	78	94
" & Alton Railroad Shares..	100	104	85	94	85	95
" " " Pref.	..	..	..	..	90	96
" & Northwestern R.R. Shares	40	65	31½	46	31¾	50
" " " Pref.	64	82	54	71	53	70½
Del., Lackawanna & West. R.R. Co.	86	100½	80	93½	79½	95⅝
Pittsb'gh, Ft. Wayne & Chic., Guar.	93⅝	94⅛	81	90	80	89¾
Toledo & Wabash R.R. Co. Shares.	39½	70½	32¾	49½	33½	49⅛
" " " Pref.	..	..	..	..	..	..
St. Louis, Alton & Terre Haute R.R.	..	..	..	..	..	..
" " " Pref.	39	39	25	35	20	20
Ohio & Mississippi R.R. Co. Shares	26½	39¼	21	30⅝	21½	27
Hannibal & St. Joseph R.R. "	19	37¾	16	26	15	25
" " " Pref.	33	50	24	35½	24½	35¾
Milwaukee & St. Paul R.R. Shares	30	51	22¼	35½	21½	36¾
" " " Pref.	56	70⅞	44	61	43¾	60
Boston, Hartford & Erie R.R. Shares	1⅞	2¾	1½	2	1	1⅝
Col., Chic. & Ind. Cen. R.R. Shares	19	31½	16⅛	24⅝	15⅝	24
Dubuque & Sioux City Railroad...	..	..	55	55	50	50
New Jersey Central Railroad Shares	91½	102½	86	95	85	95
Morris & Essex Railroad Shares...	91	91½	84	88	83	91
N. Y. Central Six p. ct. Bds. of 1883	92	92½	88	90	85	89
Erie First Mortgage Bonds of 1868..	104⅝	104⅝	..	..	98	99
Long Dock Bonds................	94¾	95	90	95	90½	91
Mich. Southern Sinking Fund Bonds	104¾	105	100	102½	97½	100
" Seven p. ct. 2d Mtge.	99	99¾	95	97½	90½	92
Central Pacific 1st Mortgage Bonds	80	100½	84	94	80	92½
Union " " "	72½	80¾	69	75½	64¾	80½
" " Land Grant Bonds..	70⅞	73	58	68	57	70½
" " Income Bonds......	50	59½	36	54	41	63
Alton & Terre Haute 1st Mtge. Bds.	..	..	93	93	90	99
" " 2d " Pref.	87	87	79	83	80	85½
" " " Income Bds.	76½	76½	72	77	68	71
Belleville & So. Ill. 1st Mtge. 8 p. ct.	96⅞	96⅞	92½	92½	..	..
Chic. & N. W. Consol'n S. F. Bonds	89½	90	83	86	78	86
" " 1st Mortgage Bonds..	99	99	89	95½	90	94½
Cleveland & Tol. Sinking Fund Bds.	101¾	101¾	99½	101	98½	100
" & Pittsb'gh Consol n Bds.	..	..	..	..	88	89
" " Second Mtge.	..	..	..	..	..	..
" " Third "	..	..	97	100	..	..
" " Fourth "	87½	87½	84	86½	81	86¼
Chic., Rock Isl'd & Pac. 7 p. ct. Bds.	101½	102½	98	100	96	102
Milwaukee & St. Paul 1st Mortgage	..	..	..	..	..	..
St. Louis & Iron Mountain R.R. Bds	96½	96½	90	95	85	92
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	88¾	89½	72	84	72	81½
" " " " 2d "	68	69	50	62½	56	56
Toledo, Peoria & Warsaw 1st, E D.	..	..	80	86	70½	80
" " " 1st, W D.	87	87½	77½	80½	65½	70⅝
" " " 2d, W D.	..	..	..	..	..	..
Cedar Falls & Minn. 1st Mtge. B ls.	75½	78½	73	75	..	..
Boston, Hart. & Erie 1st Mtge. Bds.	22¾	31½	20	25	19½	25

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to December 1, 1873.

	January 1, 1869.	*January 1, 1871.*	*January 2, 1872.*	*January 1, 1873.*	*November 1, 1873.*	*December 1, 1873.*
INTEREST PAYABLE IN COIN:						
5-per-cent Bonds	$221,589,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300	$214,567,300
New Loan of 1871, 5 per cent	......	....	96,997,650	200,000,000	274,705,000	283,234,100
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	282,736,350	283,681,350
6-per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	951,361,700	935,158,800
	$2,107,835,350	$1,935,342,700	$1,853,856,700	$1,756,651,450	$1,723,370,350	$1,716,641,550
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railroad	$50,097,000	$64,618,832	$64,618,832	$64,623,512	$64,623,512	$64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$119,962,000	$122,847,194	$101,321,832	$82,081,512	$79,301,512	$79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$7,463,503	$7,315,822	$1,739,938	$4,084,220	$14,226,290	$20,946,570
BEARING NO INTEREST:						
United States Notes	$356,021,073	$356,101,086	$357,592,801	$358,642,295	$361,031,948	$367,001,685
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	47,876,150	48,041,350
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	27,569,880	30,220,600
Currency, do. do.	....	....	....	25,370,000	8,875,000	20,150,000
	$417,272,808	$422,245,175	$434,419,378	$452,997,356	$445,352,978	$465,413,635
Aggregate Debt	$2,652,533,662	$2,487,750,892	$2,391,328,848	$2,295,814,538	$2,262,251,130	$2,282,303,267
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	95,500,737	105,156,427
Debt, less coin and currency	$2,540,707,201	$2,349,664,320	$2,264,034,528	$2,186,208,689	$2,166,750,393	$2,177,146,840

Coin in the Treasury, December 1, 1873, $83,709,987; Currency, $21,446,440; total, $105,156,427.

MR. KELLEY'S CURRENCY BILL.

The following is the text of the bill introduced by Mr. KELLEY, of PENNSYLVANIA.

Be it enacted, etc., That the amount of United States notes in circulation be limited, except as hereinafter provided, to $400,000,000 and that any holder of said notes presenting any sum not less than fifty dollars, or some multiple thereof, to the Treasury of the UNITED STATES, or any of the Assistant Treasuries, shall receive in exchange therefor an equal amount of bonds of the UNITED STATES, coupons or registered, as may by said holder be desired, bearing interest at the rate of three and 65-100 per cent. per annum, payable semi-annually, which the Secretary of the Treasury is hereby authorized to prepare and furnish for that purpose, and that when any person shall demand of the Treasurer of the UNITED STATES or any Assistant Treasurer redemption of said bonds, it shall be the duty of said treasurer or assistant treasurer to pay in United States notes the principal of said bond or bonds, with accrued interest, and cancel and forward the bonds thus redeemed to the Treasurer of the UNITED STATES forthwith in such a manner as the Secretary may prescribe.

SECTION 2. That the Secretary of the Treasury shall cause to be prepared United States notes of the denominations now in use to the amount of fifty million of dollars, which shall be held as a reserve or redemption fund for the purpose of securing prompt payment of said bonds when demanded, and the United States notes so held in reserve shall be used only when needed for the payment of said bonds on their presentation, and shall be withdrawn and placed again in reserve out of any United States notes not otherwise appropriated, received by the Treasury Department thereafter, and the whole amount of United States notes received by the Treasury Department in exchange for said bonds bearing three and 65-100 per cent. interest, shall be appropriated and applied by the Secretary of the Treasury as rapidly as practicable to the purchase or redemption of any bonds of the UNITED STATES outstanding at the passage of this act.

SECTION 3. That National banks are hereby authorized to hold such bonds bearing three and 65-100 per cent. interest, instead of the reserve of United States notes now required by law.

December 15.—Senator CLAYTON introduced a bill to repeal the tax of ten per cent. on the circulation of bank notes (to take effect January 1st, 1874.) Referred to Committee on Finance.

On Tuesday, December 16th, in the Senate, Mr. MORRILL, of VERMONT, from the Committee on Finance, reported adversely on the bill to repeal section 6 of the act of March 3, 1865, imposing a tax of ten per cent. on the circulation of bank notes, and the committee was discharged.

By Mr. MORRILL (Rep., VERMONT). A bill for the resumption of specie payments and for free banking. It directs the Secretary of the Treasury to issue, in return for deposits of United States notes to the amount of $ 50 or upward, $ 100,000,000 of loan certificates, payable in four years after date, and bearing interest at the rate of 3.65-100 per cent. per annum. All National banks mentioned in section 31 of the National Currency Act are authorized to hold one-half of their reserve in these certificates, and the other half in United States notes or gold. All other National banks may hold any part of their reserves in these certificates, United States notes, or gold, and any deposit available for the redemption of circulating notes may be counted as part of the reserve of an association organized in any of the cities named in the currency act, to which such deposit may be due, provided no interest be paid or received therefor; and all United States notes so receivable shall be canceled. The Secretary of the Treasury is directed at any time after October 1, 1874, to issue five-twenty six-per-cent gold bonds to the amount of $ 200,000,000, with the proceeds of which, when sold at par for gold coin, he shall, on and after January 1, 1875, redeem in coin such United States notes not bearing interest payable to bearer as may be presented, in sums of not less than $ 100, at the treasury in Washington, or at the sub-treasury in New York; and all notes so redeemed may be reissued at the discretion of the Secretary of the Treasury in payment of any dues of the UNITED STATES, except United States bonds and interest on the public debt. Finally, the bill proposes to repeal all limitations on the amount of National bank currency, except the restriction that the amount of circulation issued to any National bank shall not exceed ninety per cent. of the bonds deposited as security, or of the amount of its paid-in capital stock.

MUTILATED CURRENCY.—On the same day a bill was introduced by Senator WRIGHT, of IOWA, to facilitate the assorting and redeeming of National bank-note currency, and to authorize the issue of circulating notes to the amount of ninety-two per cent. in lieu of the ninety per cent. now authorized by law. It authorizes the President to designate some one National bank in New York City, with a capital of at least $ 1,000,000, to act as sorting or redeeming agent for all mutilated or soiled and worn-out National bank notes issued by banks keeping an account therewith, and such banks as keep with this depository an average balance of two per cent. on their circulation, shall be entitled to receive from the Comptroller of the Currency notes to the amount of ninety-two per cent. on their United States bonds deposited in the Treasury as security for their circulation.

THE TREASURY REPORT.

The Annual Report of the Treasury Department was made to Congress on the 1st December. The Secretary anticipates a decline in the revenue, viz.: from customs 28 millions, from internal revenue 21 millions, from miscellaneous sources 14 millions—a total revenue of 268 millions for the present fiscal year, against 333 millions reported for the year ending 30th June, 1873. He reports a sale of new five-per-cent. bonds to the extent of $ 84,500,000. He recommends an appropriation for the payment of the loan of 1858, amounting to $ 20,000,000. Of the banking movement he says:

"The prevailing practice, not only of National banks, but of State banks and private bankers, of paying interest on deposits, attracts currency from all parts of the country to the large cities and especially to New York, the great financial centre. At seasons of the year when there is comparatively little use for currency elsewhere, immense balances accumulate in New York, where, not being required by the demands of legitimate and ordinary business, they are loaned on call at a higher rate of interest than that paid to depositors and are used in speculation. . . . .

"During the past summer, anticipating the usual autumn stringency, the Treasury Department sold gold while the market price was high, currency abundant, and bonds for sale in the market were scarce, and while there was a surplus of gold in the Treasury, and thereby accumulated about fourteen million dollars of currency with the view of using the same, or such part thereof as might be necessary, in the purchase of bonds for the sinking fund, at times during the autumn and winter, when they could be bought at a price not above par in gold, or in meeting demands upon the Treasury, as circumstances should require."

These sales of gold were rather unwise, in view of the stringency that was anticipated. With due deference to the better judgment of Congress and the Treasury, we think all the gold revenues should be applied to the extinction of the legal tenders, as demanded by the original action of Congress in creating them. The honor of the country was pledged to this effort, and the deviation from the course obviously urged by Congress in 1863–4, has led largely to the late revulsion. Of the commercial movements of the year the Secretary reports:

"During the fiscal year ending June 30, 1873, the value of merchandise imported into the UNITED STATES was $ 642,029,539, as against $ 626,595,077 for the previous year. An analysis shows an increase in the imports of merchandise admitted duty free, in raw materials and in some articles of necessity, while in some articles of

luxury there was a reduction. The increase in the importation of coffee was $ 6,164,339, and in tea $ 1,522,519, in addition to the amounts in bond July 1, 1872, and which were withdrawn therefrom during the year. Coffee was so withdrawn for consumption to the value of $ 16,901,126, and tea to the value of $ 18,024,217. There was an increase also in the importation of copper and copper manufactures of $ 1,818,188; soda and salts, $ 1,719,408; tin in plates, $ 2,681,222; hides and skins, $ 1,427,784; fur skins, $ 188,170; melado, $ 2,656,138; wood and manufactures thereof, $ 2,141,766; earthenware, $ 745,140; manufactures of cotton, $ 9,893,870.

"There was a decrease in silk goods, $ 5,723,582; precious stones, $ 182,905; fruits, $ 713,203; fancy goods, $ 278,577; fine linen, laces, and other manufactures of flax, $ 1,054,115; as well as in some articles of a different class, such as barley, $ 440,626; opium and extracts thereof, $ 128,839; leather and leather goods, $ 1,829,917; wool, $ 8,105,114. The gold value of the exports of merchandise from the UNITED STATES was $ 522,478,892, as against $ 444,177,586 for the previous year. There was an increase in certain articles exported as follows, the value being stated in currency: cotton, $ 47,201,672; wheat, $ 12,537,194; wheat flour, $ 1,425,980; bacon and hams, $ 13,895,545; pork, $ 884,727; lard, $ 1,068,196; cheese, $ 2,745,092; oils, $ 7,256,514; wood and manufactures thereof, $ 3,878,930; manufactures of iron, $ 2,372,725; coal, $ 952,449; drugs and chemicals, $ 575,050; hides and skins, $ 2,159,845; furs and fur skins, $ 382,545; leather and leather goods, $ 1,621,465; in live animals, $ 259,731.

"The export of gold and silver in excess of the imports was $ 63,127,637, as against $ 66,133,845 for the previous year. The balance of trade in merchandise has been largely against the UNITED STATES for many years, and the country has exported during the twenty years ending with the last fiscal year gold and silver to the extent of more than a thousand million dollars over and above the amount imported."

The financial policy of the Government has led to this exhaustion of gold and silver. Granting (as every sound statesman will), that a resumption of specie payment is desirable, this large export of gold could have been lessened by a wise contraction of the paper money created by Congress. It is not too late now. Let Congress carry out the promises made eight years ago, as to a gradual reduction of paper money till it reach such a volume as can be placed upon a gold basis, and the country will, in a few years, recover its prosperity.

Of the changes in the mint, the Secretary reports:

"The Mint Bureau, established by the act of February 12, 1873, was organized on the 1st of April, when the coinage act became operative. Dr. H. R. LINDERMAN was appointed director; and, under his able and energetic management, the operations of the mints and assay offices have been efficiently conducted, and a more speedy and systematic rendition of the bullion accounts effected. At the request of the Department, he has obtained valuable information on various

technical and scientific points connected with the coinage, by which the transaction of business has been greatly facilitated.

"The reduction of the coinage charge from one-half to one-fifth of one per cent. has been followed by an increased coinage, and prevented, to a considerable extent, the export of gold bullion—its value for coinage in this country having thereby been brought nearly to its mint value in London, where it is coined without charge. Some further advantages would no doubt follow the adoption by this country of the free-coinage system as to gold. I recommend the repeal of the charge for coining gold, and also the charge imposed for copper used for alloy, as being an inconvenient item in estimating the coinage value of gold."

Net Receipts.	*To June* 30, 1871.	*To June* 30, 1872.	*To June* 30, 1873.	*To June* 30, 1874.*
From customs	$206,270,408	$216,370,286	$188,089,522	$160,195,404
From internal revenue	143,098,153	130,642,177	113,729,314	91,640,454
From sales of public lands	2,388,646	2,575,714	2,882,312	2,073,768
From miscellaneous sources	31,566,736	24,518,688	29,037,055	15,043,866
Total receipts	$383,323,944	$374,106,867	$333,738,204	$268,953,492
Net Expenditures.				
Civil and miscellaneous purposes	$69,498,710	$6,958,266	$5,105,949	$38,722,298
For War Department	35,799,991	60,984,758	73,328,110	47,795,058
For Navy Department	19,431,027	35,352,157	46,323,133	27,792,451
For Indians and pensions	41,870,892	21,249,809	37,311,131	33,986,871
Miscellaneous	....	35,595,131	23,526,256	34,000,000
For interest on the public debt	125,576,565	117,357,839	104,750,688	107,051,908
Total expenditures	$292,177,188	$277,517,962	$290,345,245	$289,348,576

The following is a statement of the principal of the public debt of the United States on the first day of July during the past four years:

July 1st, 1870	$2,480,672,427
July 1st, 1871	2,353,211,332
July 1st, 1872	2,253,251,328
July 1st, 1873	2,234,482,993

The last statement is made without regard to the interest due and unpaid or accrued, or cash in the Treasury at the dates named. By adding interest due and unpaid and interest accrued, and deducting cash in the Treasury for the past two fiscal years, we have the following result:

Balance of obligations July 1st, 1872	$2,191,486,343
Balance of obligations July 1st, 1873	2,147,818,713
Net reduction during the fiscal year	$43,667,630

According to this statement, the net reduction of the public debt from July 1st, 1870, to July 1st, 1873—a period of three years—amounts to $246,189,434.61, which gives an average of $82,063,-144.87 per year. The reduction for the last year is $43,667,630.05, against $127,461,095 for the year ending July 1st, 1871. The interest paid on the debt for the year ended June 30th, 1871, amounted to $125,576,565.93, against $104,750,688.44 paid for the year ended June 30th, 1873, showing a difference of $20,825,877.49 between the two years.

* Estimated.

BANKING AND FINANCIAL ITEMS.

THE NEW YORK CLEARING HOUSE.—The Clearing-House Association met at the close of November, to consider the report of the Committee of Nine on Bank Reform. President VERMILYE occupied the chair. After the reading of the minutes, Mr. LEVERICH, of the BANK OF NEW YORK, offered a resolution to postpone the whole subject for sixty days. Mr. COE, of the Committee of Nine, asked that the Committee might be discharged from further duty. It was discharged accordingly. After some discussion, Mr. KITCHEN, of the PARK BANK, offered as a substitute for the motion of Mr. LEVERICH, a resolution referring the subject to a new Committee of Nine, to be appointed by the chair, and to be composed of members representing different views on the report, whose duty it shall be to report at a future meeting whether some middle ground could not be found on which all could unite and harmonize. Mr. LEVERICH then withdrew his resolution, and the resolution of Mr. KITCHEN was adopted by a large majority. The Association then adjourned, to meet at the call of the chair. President VERMILYE subsequently appointed the following-named bank presidents as the new Committee: Messrs. Kitchen, Park Bank; Vail, Bank of Commerce; Hayes, Union Bank; Berry, Tradesmen's; Duer, State Bank; Castree, Irving Bank; Buell, Importers and Traders' Bank; Chandler, Mechanics' Bank; Jordan, Third National Bank; Schreiner, German-American Bank.

BANK CLERKS.—The Bank Clerks' Mutual Benefit Association of New York City celebrated their fifth anniversary, at Association Hall, on Thursday, December 4th, 1873, at 8 o'clock P.M. ALEXANDER GILBERT, Esq., Cashier of the MARKET NATIONAL BANK, presided. The annual report was read by the President of the Association, Mr. J. C. PARSONS. An address was delivered by the Rev. WM. M. TAYLOR, D.D. The Swedish Singing Society, of New York, generously volunteered their services for the occasion. The Association has received liberal contributions from the banks and from individuals, and is eminently prosperous. The present number of members is 987.

NEW YORK.—The petition to have the firm of HOWES & MACY adjudicated an involuntary bankrupt was filed in the United States District Court in Bankruptcy, in this district, by ALONZO R. MORGAN, of Long Island City. The petition recites that MORGAN deposited $2204 in cash with HOWES & MACY.

CALIFORNIA.—The BANK OF SAN LUIS OBISPO was organized in August under a State charter, at San Louis Obispo, with a capital of $200,000. President, H. M. WARDEN; Cashier, C. H. PHILLIPS; New York correspondents, Messrs. LAIDLAW & CO. The private banking house of Messrs. WARDEN & PHILLIPS is succeeded by this bank.

COLORADO.—The BANK OF DENVER, COLORADO, will be organized in January, 1874, under a territorial charter, with a capital of $200,000. H. C. BROWN, President; C. D. GURLEY, Cashier. Their card will be found on the cover of the BANKER'S MAGAZINE.

Pueblo.—Mr. C. H. BLAKE has been elected President of the PEOPLE'S BANK in place of Mr. E. W. RAILEY, resigned. Mr. J. R. LOWTHER continues as cashier. Their card will be found on the cover of the BANKER'S MAGAZINE.

DELAWARE.—The burglars who attempted a robbery of the NATIONAL BANK OF DELAWARE, were tried in December, and convicted. The penalty for the crime of which the prisoners stand convicted, is a fine of not less than $100, nor more than $500; stand one hour in the pillory; be whipped with not less than twenty nor more than forty lashes; and be imprisoned for a term not exceeding ten years.

ILLINOIS.—Mr. EDWARD CHERRILL, for the past nine years Cashier of the HANCOCK CO. NATIONAL BANK of Carthage, ILLINOIS, was, in July last, elected Cashier of the UNION BANK of Quincy, ILLINOIS, in place of Mr. C. H. CHARLES, resigned. The UNION BANK was incorporated in 1869, by special act of the Legislature of ILLINOIS, with a perpetual charter, having a maximum capital of $ 500,000, of which $ 100,000 is paid up in cash. The business of the bank is largely devoted to the mercantile interests of the city. Its correspondents in New York are the MARINE NATIONAL BANK and the GERMAN-AMERICAN BANK.

INDIANA.—The FIRST NATIONAL BANK OF ANDERSON, INDIANA, is in a receiver's hands. Amount of bank assets, $ 163,655; amount of bank liabilities, $ 139,717; assets over liabilities, $ 23,938. In addition to the assets above named, there are $ 10,000 due the bank on United States bonds, which, when realized, will increase the assets to $ 33,938. There are also $ 14,000 interest accrued on other bonds, which, when paid, will increase the assets to that extent, making a grand total of real and contingent assets over liabilities of about $ 47,000. The President of the bank, Colonel STILWELL, in order to make his creditors amply secure, and safe beyond peradventure, made an assignment of all his real and personal property of the estimated value of $ 140,000. Mr. THOMAS McCULLOUGH, of OHIO, has been appointed assignee of the private property, and also nominated receiver for the bank.

State Finances.—Messrs. JOHN A. HAMBLETON & Co., bankers, Baltimore, MD., offer bonds of INDIANA for sale. *Present Liabilities.*—Foreign debt, 5 per cent. certificates, $ 30,000; Foreign debt, 2½ per cent. certificates, $ 5,000; War loans, due 1881, $ 139,000; temporary loans, due 2 and 3 years, $ 710,000; total, $ 884,000. *Domestic Debt.*—Due School Fund of State of INDIANA, for which the interest only is to be paid—6 per cent, $ 3,904,000; ordinary expenses of the Government, per annum, including interest, $ 1,000,000, The resources of the State of INDIANA are: Annual State tax of 15 cents on the hundred dollars, and 50 cents on each poll, 1873 and 1874; value of taxable property, $ 950,500,000; number of polls, 264,000; annual income, $ 1,557,750; cash on hand, October 31, 1873, $ 185,175.

IOWA.—The FIRST NATIONAL BANK OF RED OAK, Montgomery County, (No. 2130), was organized in November, with a capital of $ 50,000, limited to $ 100,000. President, CHARLES H. LANE; Vice-President, FRANCIS M. BYRKIT; Cashier, CHARLES F. CLARKE. Their New York correspondent is the NINTH NATIONAL BANK. This bank succeeds the banking house of F. M. BYRKIT.

KANSAS.—The MONTGOMERY COUNTY BANK, at Independence, KANSAS, is now under the control of Messrs. J. C. LEONARD and WILLS.

Topeka.—Messrs. JOHN D. KNOX & Co., bankers, commence business on January 1st. Their New York correspondent is the NINTH NATIONAL BANK. Mr. KNOX has been President of the CAPITOL BANK OF TOPEKA, hitherto.

MARYLAND.—In a suit against an endorser on a check drawn at Baltimore, on a bank in that city, and remitted to Meyers' Mills, PA., the plaintiff was non-suited on the ground of unnecessary delay in sending the check to Philadelphia instead of Baltimore direct; the drawer having failed on the day the check reached the latter city.

MASSACHUSETTS.—Mr. JESSE EDDY, President of the NATIONAL UNION BANK of Fall River, died in that city, November 15th. He was also Chairman of the Board of Investment of the FALL RIVER SAVINGS BANK, with which institution he was connected over twenty-five years.

MICHIGAN.—Upper Big Rapids, MICHIGAN, December 1.—The EXCHANGE BANK, at Big Rapids, was robbed, November 30th, of $ 2,500. By some accident the vault was left unlocked by the bankers. The entrance into the bank was made by digging under the floor. The bank has suspended, and is electing a new cashier, although no blame is attached to the present cashier.

MINNESOTA.—The LAKE CITY BANK, at Lake City, Wabasha County, was organized in November, 1873, under the general banking law of the State of MINNESOTA, with a capital of $50,000 paid in. JOEL FLETCHER, President; SLOAN M. EMERY, Vice-President; C. A. HUBBARD, Cashier. Their New York correspondent is the NINTH NATIONAL BANK.

St. Paul.—At a meeting of the Board of Directors of the NATIONAL MARINE BANK at St. Paul, on the 31st October, Mr. O. B. TURRELL was elected President, in place of Mr. NEWTON BRADLEY. Mr. F. C HOWES has been elected cashier in place of F. M. ROSER.

MISSOURI.—The BANK OF ST. JOSEPH was organized in November, under the State law, at St. Joseph, with a capital of $250,000, limited to $500,000. President, CALVIN F. BURNES; Vice-President, SIMON ADLER; Cashier, WILLIAM C. WELLS.

NEBRASKA.—Messrs. JAMES SWEET & CO. continue their banking business as usual at Nebraska City, their reported suspension having been only a few days' cessation of currency payments at the beginning of October. Their New York correspondent is the CHEMICAL NATIONAL BANK.

NEW YORK.—At a meeting of the Directors of the SECOND NATIONAL BANK OF COOPERSTOWN, Mr. DAVID A. AVERY was appointed Cashier, in place of Mr. F. G. LEE, resigned. Mr. BENJAMIN M. CADY (hitherto Cashier of STODDARD'S BANK, at Little Rock), was appointed Assistant-Cashier of the SECOND NATIONAL. Mr. JEDEDIAH P. SILL remains President.

Elmira.—An ingenious attempt to rob the SECOND NATIONAL BANK, of Elmira, N. Y., was accidentally thwarted on Saturday night, December 6th. D. R. PRATT, President of the bank, having occasion to enter the bank vault during the evening, discovered some brick-dust that had fallen in from above, through a crack between the iron plates. Thinking the circumstance suspicious, Mr. PRATT went up stairs to the rooms of the Young Men's Christian Association, which are in the bank building. Dr. HART, President of the Association, was there, and the two loosened the carpet in the south-east corner of the room, and discovered that a portion of the floor had been taken up and replaced apparently. Removing the board, they were astounded to see that the solid masonry of the arch of the bank vault, made of brick, stone and cement, had been almost entirely removed, at least two cart loads having been carried away. The iron plates of the vault were laid bare, and in the hole thus made were found a full set of burglars' tools, a number of iron wedges, eight cans of powder, two rubber sacks, and a curiously contrived jack-screw, which was in position to raise the plates of the vault. Dr. HART said that there had been several strange men in attendance at the reading-room of the Association for a week or two, who were always the last to leave. One of these was found at the foot of the stairs when Mr. PRATT went down, and was at once taken into custody. He said he was from Boston, and in his possession were found $265, a fine gold watch and two heavy chains. He denied any knowledge of the attempted burglary. No other arrests have been made. The broken masonry was afterward found deposited in the rear of the Opera House. How the burglars managed to carry on their work without being detected is a mystery. Several suspicious persons who were stopping at the Elmira House have disappeared, leaving their bills unpaid.

NEW JERSEY.—At a meeting of the Directors of the MOUNT HOLLY NATIONAL BANK, held at the banking house on Friday, November 28th, THOMAS D. ARMSTRONG was unanimously elected President to fill the vacancy caused by the death of MOSES WILLS. FLOYD ARMSTRONG was unanimously elected Cashier. Both to take effect on the 1st of December. The new President has been connected with the bank as Cashier from its establishment, and has been the responsible financier of the concern, and to him is due, in a very large degree, the measure of success the institution has attained.

JERSEY CITY.—Mr. JOHN ARMSTRONG, who died in December, 1873, was elected President of the HUDSON COUNTY BANK in 1865, succeeding his father MATTHEW ARMSTRONG, who had been a director of the bank since 1851, and became its President January 1, 1859. In June, 1865, when the HUDSON COUNTY BANK was succeeded by the HUDSON COUNTY NATIONAL BANK, Mr. ARMSTRONG was unanimously elected its first President, and continued as such until

his death, November 30th, in the 51st year of his age. He was born in the city of New York; resided many years in NEW JERSEY, until the death of his father, when he returned to the city. He was, at the time of his death, senior partner in the well-known leather house of M. ARMSTRONG & SONS, 19 Ferry street. He had been incapacitated from service in the bank since June last, and the duties of President have been discharged by Hon. JOB MALL, long a director of the bank, since July, when he was appointed President *pro tem.*, during the absence from the city of Mr. EARLE, Vice-President, during the summer months. Mr. MALL had been a resident of Jersey City since 1832 (having been born in ENGLAND), until his removal to Plainfield, NEW JERSEY, a few years since, of which city he was the first mayor. Mr. MALL ranks high wherever known, as a gentleman of the most unsullied integrity, and having amassed a handsome fortune, is eminently qualified for the position of President of an institution so secure in the public confidence. The HUDSON COUNTY BANK was the first institution organized in NEW JERSEY, under what was known as the general banking law. Its Presidents have been Hon. JOHN CASSIDY, Judge GRIFFITH, Hon. DUDLEY S. GREGORY, MATTHEW ARMSTRONG, Esq. and JOHN ARMSTRONG.

Newark.—Mr. GIFFORD F. PARKER was, in November, elected cashier of the MERCHANTS' NATIONAL BANK of Newark, in place of Mr. LINUS M. PRICE, who had resigned. Mr. JAMES L. HAYS remains President.

OHIO.—The Finance Committee of the Board of Trade, December 6, reported resolutions declaring that all restrictions limiting National banking as a special privilege should be removed; that the right to issue notes should be given to all companies furnishing capital on the present basis of security to notes, and that in this way the public debt could be funded at home at a rate of not over four per cent. interest, and these bonds might be convertible into greenbacks to secure the elasticity of the currency when necessary. It also reported a resolution asking Congress to forbid the payment of interest on current deposits by National banks.

PENNSYLVANIA.—IRA B. MCVAY & CO., bankers, at Pittsburgh, have filed a voluntary petition to be declared bankrupt. A large percentage of the creditors were willing to grant them an extension, but some of the smaller creditors withheld their signatures in hopes that when the ninety per cent. had agreed to the extension their claims would be considered separately, and probably paid in full in order to get rid of them. Under the circumstances it was deemed best to go into bankruptcy.

Pittsburgh.—A petition was filed in the United States District Court, December 5, by the President and Trustees of the NATIONAL TRUST COMPANY, asking that ROBERT J. GRIER, their late cashier, be adjudged bankrupt. The petition sets forth that GRIER converted to his own use large sums of money, valuable bills receivable and notes to the amount of many thousand dollars, which belong to the said Banking Company, but the exact amount of which cannot be given, and that he has left the State with the intention of defrauding his creditors.

SUIT BETWEEN NATIONAL BANKS.—In the suit brought in the United States Circuit Court, New York, by the SECOND NATIONAL BANK of Erie, PA., against the OCEAN NATIONAL BANK, of New York, to recover $77,728, which amount plaintiff alleges it lost on account of the robbery of the OCEAN BANK, in consequence, as charged, of the negligence of the latter bank, Judge SHIPMAN gave a decision in favor of the defendants with costs, holding that the negligence charged had not been proven.

Philadelphia.—Mr. ELIJAH DALLETT died at his residence, Sixteenth and Green Streets, on Tuesday, December 9th, in the 71st year of his age. For the last 26 years he held the position of President of the PENN NATIONAL BANK, corner of Sixth and Vine Streets. He was previously a Director of the STATE BANK OF CAMDEN, and was a member of St. George's Society. Deceased was a native of ENGLAND, but came to this country when young. He was highly respected by a large circle of acquaintances in business circles. He leaves a widow and several children.

Philadelphia.—Mr. JOSEPH G. MITCHELL has resigned the presidency of the MECHANICS' NATIONAL BANK of this city, in consequence, as we are informed, of the pressure of private interests on his time; Mr. GEORGE H. STUART was unanimously elected to supply his place.

BANK CLERKS.—The fifth annual meeting of the Bank Clerks' Beneficial Association, of Philadelphia, was held Tuesday evening, December 9th, at 118 South Seventh Street; the president, B. F. DENNISSON, in the chair. The annual report showed the present membership to be 216, an increase of 23 members. Total receipts, $ 3509.38; expenses, including $ 2000 for death of four members, $ 2323.87; balance on hand, $ 3962.31. Since the organization, June 1, 1869, $ 6000 have been paid for twelve deaths. The following officers have been elected for the ensuing year: President, B. F. DENNISSON; Vice-President, T. G. BOGGS; Treasurer, R. E. Wright; Recording Secretary, G. A. H. ROSE: Corresponding Secretary, JOSEPH S. SPARKS; Board of Management, THOMAS WATERMAN, C. D. HOWELL, J. C. PLISH, T. L. HUGGARD, WATSON DEPUY, J. C. GARLAND, L. RENSHAW, W. T. NELSON, SAMUEL SPERING, GIBBONS MARSH, EDWARD WHEELER.

Philadelphia.—CHARLES MACALESTER, one of the leading citizens of Philadelphia, died at his residence in that city on Tuesday, December 9th, aged 75 years. More than fifty years of his life were devoted to local, State and National affairs. He was a trusted friend of Presidents JACKSON, VAN BUREN, POLK, FILLMORE, PIERCE, BUCHANAN, LINCOLN and GRANT. In the conflict between the Government and the BANK OF THE UNITED STATES, he was a Government Director, which threw him into close connection with all the men of that period. Mr. MACALESTER'S business was diffused, but he was particularly fortunate in real estate transactions in Chicago at an early day. He retired from active life about eight years ago, but was unable then, or at any subsequent period, wholly to refrain from connection with public interests that desired his sagacious and reliable counsel. This urgency retained him on the directory of the FIDELITY TRUST AND SAFE DEPOSIT COMPANY, in the presidency of the St. Andrew's Society for the last seven years, and in numerous other positions whose honors were not without some amount of labor. Among these was that of Trustee of the Educational Fund bequeathed by Mr. GEORGE PEABODY. The eminent success in the conduct of his personal affairs, attested by a fortune expressed in millions, was more or less shared by the various concerns with which Mr. MACALESTER was associated, and accounts for the earnestness with which his co-operation was sought, as well as the difficulty he experienced in relinquishing active pursuits.

OHIO.—The FIRST GERMAN LOAN ASSOCIATION of Cincinnati has been organized as a bank of discount and deposit, having a capital of $ 100,000, and the individual liability of over 250 stockholders. Their officers are: WILLIAM HEBEL, Director; A. SOMMER, Cashier; and CARL SCHOLZ, Comptroller. New York correspondents, Messrs. C. B. RICHARD & BOAS.

RHODE ISLAND.—Mr. JOSHUA WILBOUR, for several years Cashier of the FIRST NATIONAL BANK OF PROVIDENCE, was, in December, elected Cashier of the COMMERCIAL NATIONAL BANK OF PROVIDENCE in the place of Mr. STEPHEN P. WARDWELL, now under arrest. Mr. DANIEL DAY remains President. Capital, $ 1,000,000.

Providence.—Mr. HORATIO A. HUNT was, in December, elected Cashier of the FIRST NATIONAL BANK OF PROVIDENCE in place of Mr. WILBOUR, now Cashier of the COMMERCIAL NATIONAL BANK. Mr. SAMUEL FOSTER is President, *pro tem.*, of the former. Capital, $ 600,000.

Houston.—The CITY BANK of Houston, TEXAS, declared, in November last, a cash dividend of nine per cent. for the six months ending 31st October, 1873. Mr. BENJ. A. BOTTS is President; Mr. B. F. WEEMS is Cashier.

VERMONT.—Mr. HENRY BARNARD, President of the FIRST NATIONAL BANK of Springfield, VERMONT, died November 19th, at the age of seventy-two years. He was first elected President of the bank in January, 1864, and continued in office till February, 1869. He was again elected President in January, 1872, and

remained in office till his death. Mr. SAMUEL ALFORD, Jun., was elected to fill the vacancy, December 1st.

VIRGINIA.—The forthcoming report of General ASA ROGERS, Second Auditor of the State of VIRGINIA, will show that the debt, exclusive of interest, is $ 30,478,741, independent of one-third, $ 15,239,370, assigned to WEST VIRGINIA for payment. Of the former, $ 8,000,000 is held by citizens of VIRGINIA, $ 13,000,000 in other States, and $ 9,500,000 in EUROPE. If the provisions of the act of March 13, 1873, for payment of two-thirds interest, be continued, the amount required to pay interest on the 1st of January and 1st of July, 1874, will be $ 1,207,027. As there is a balance due and unpaid in money on interest payable since 1871, of $ 880,059, including interest to colleges, to literary fund, etc., the whole amount necessary to meet the interest obligations of the State next year will be $ 2,242,083. Last year $ 931,203 was actually paid in money as interest upon the public debt, and $ 301,104 of coupons were taken in part taxes.

WISCONSIN.—Messrs. MARSHALL & ILSLEY, bankers, Milwaukee, offer their services to Eastern bankers and merchants, for the collection of Western paper. Their house has been in operation over twenty-five years, and has earned a high reputation for punctuality. Their New York correspondents are the BANK OF NORTH AMERICA and the AMERICAN EXCHANGE NATIONAL BANK.

WISCONSIN.—The State Treasurer of WISCONSIN reports that State as being practically out of debt. The State proper owes to its own educational fund $ 2,233,900, and to outsiders only $ 18,100, which latter sum it is ready to pay on demand. The current expenses of the State Government for the last fiscal year were $ 1,798,023, and the receipts for the same time $ 1,774,558. Under the law of the State all railroads pay a license fee of three per cent. of their gross earnings into the Treasury in lieu of taxes. The Secretary of State recommends that this law be changed, and that the railroads be required to pay taxes on the value of their property at the same rate as private individuals. The rate of taxation in WISCONSIN is 2.23 per cent. At this rate he estimates that the railroads would be required to pay nearly twelve per cent, of their gross earnings.

WISCONSIN.—The MANUFACTURERS' NATIONAL BANK OF RACINE, have removed into their new banking house, which is in a convenient and central location for an active business.

CANADA.—THE BANQUE VILLE MARIE has been established at Montreal, under a charter granted in June, 1872. Capital, $ 1,000,000 authorized, of which the sum of $ 266,000 has been paid in. President, DENIS EMERY PAPINEAU; Vice-President, JOHN A. LECLERC; Cashier, PIERRE AIME FAULEUX.

ST. JOHN.—THE MARITIME BANK OF THE DOMINION OF CANADA has been established at the City of St. John, County of St. John, province of NEW BRUNSWICK, under a charter granted by the parliament of CANADA, in June, 1872. President, ALBERT J. SMITH; Vice-President, JAMES DOMVILLE, M. P.; Manager, JOHN W. H. ROWLEY. Capital authorized, $ 2,000,000; capital paid in, $ 200,000. Their New York correspondents are Messrs. RICHARD BELL and C. F. SMITHERS, 59 Wall Street.

St. Johns.—LA BANQUE DE ST. JEAN was chartered May, 1873, located at St. Jean (or St. John's), Province of Quebec, CANADA. The paid capital in November, 1873, was $ 110,000. President, MELLEURFILS; Vice-President, ISAAC COSTE; Cashier, JOSEPH L'ECUYER.

BANKING POLICY.—It is rumored that the banking policy of the new government will present a marked contrast to that of the late ministers. It is asserted that the legal-tender notes will be redeemed, and the powers under which they were issued be revoked. A return to something like the system of government finance previously in vogue would follow as a natural consequence. The known hostility of Hon. Mr. CARTWRIGHT to the Dominion note scheme lends probability to these rumors.

NOTES ON THE MONEY MARKET.

NEW YORK, DECEMBER 22, 1873.

Exchange on London, at sixty days' sight, 108¾ @ 108⅝ ***for gold.***

Comparative quiet has been restored to the money markets of the leading cities, but there is an uneasy and restless feeling prevailing, and which will continue to prevail until the questions relating to the currency are decided by Congress. There are three parties in Congress on this subject; one recommending an extension of the bank-note currency; a second urging that duty and honor demand that the terms upon which the legal-tender paper was issued be rigidly complied with—among the latter are Senators MORRILL, of VERMONT; SUMNER, of MASSACHUSETTS; and MORTON, of INDIANA; a third party recommended the let-alone policy, urging that the country will, IN TIME, grow up to, and be gradually accommodated to, the present enlarged volume of the currency—among the latter are Senators BOUTWELL, of MASSACHUSETTS, and FERRY, of MICHIGAN.

Mr. BOUTWELL having, as Secretary of the Treasury, inaugurated the present system, whereby the specie volume of the Treasury had been sold instead of devoting it to the liquidation of the cash liabilities of the Government, will, of course, defend such a policy—one that has encouraged over-trading and inflation. Senators SUMNER and MORRILL, on the other hand, claim that Congress was pledged to curtail the paper issues, and it is now obvious that if Congress had insisted, in 1865–1866, on a gradual absorption of about one-half of the legal tenders, as recommended and adopted by Secretary MCCULLOCH, the country would now be in a specie-paying condition, and would be above and beyond the risks of panics and revulsions.

The propositions this month to enlarge the paper currency beyond its existing volume, immediately gave confidence to the bull clique in Wall Street, and prices went up about one per cent. in consequence.

Until Congress acts finally on the subject, the business community will be subject to all the distress arising from uncertainty and stock gambling. The price of gold, which had declined in November to 6¼ premium in the market, has, in view of the urgent demands for inflation, reached 11 *a* 12 per cent.

The prospect in November of a war with SPAIN has had the effect to drain the Treasury of its cash means. More activity in the Na y and War Departments has required an outlay of ten millions of dollars, accompanied by a reduction of the government revenues from various sources. The Secretary of the Treasury estimates a serious reduction of the revenue from customs and from taxation, and has already drawn on the reserve of forty-four millions of legal tenders, while Congress is called upon for larger appropriations for the army and navy.

The excessive imports from abroad in 1871 and 1872, whereby our fresh accumulations of specie funds were wholly absorbed, were kept up early in 1873. They are now largely reduced owing to the inability of our merchants to meet their engagements promptly. The aggregate imports for eleven months of 1873 are thirty millions less than in 1872, but seventeen millions more than in 1871, viz.:

Foreign Imports at New York for Eleven Months from January 1.

	1871.	1872.	1873.
Entered for consumption	$ 195,643,997	$ 185,030,376	$ 162,254,405
Entered for warehousing	131,039,797	164,115,364	117,378,907
Free goods	26,493,931	50,441,530	80,112,343
Specie and bullion	6,226,407	5,420,911	17,137,821
Total entered at port	$ 359,404,132	$ 405,008,181	$ 376,883,476
Withdrawn from warehouse	118,492,610	147,937,704	112,197,906

The total imports are now twenty-eight millions below the corresponding eleven months of last year; and if we leave the specie out of the calculation the falling off is about forty million dollars.

At the same time there has been a healthy increase of domestic exports to foreign countries, from 215 to 274 millions, exclusive of specie. If this policy can be maintained for one or two years, it will aid the currency movements, and abate the extraordinary debts of our people, which have been accumulating in Europe. To show this recent change, we submit aggregate returns for 11 months of 1873, compared with the same period in 1871 and 1872. Last year some of the usual Boston shipments were temporarily diverted to this port by the great fire in that city, which makes the present exhibit a stronger contrast than it otherwise would have been for the year.

Exports from New York to Foreign Ports for Eleven Months from January 1.

	1871.	1872.	1873.
Domestic produce	$ 206,774,248	$ 204,939,336	$ 264,499,136
Foreign free goods	1,076,418	1,436,205	2,013,212
do. dutiable	7,043,587	9,042,436	8,482,307
Specie and bullion	61,831,354	67,975,466	46,212,390
Total exports	$ 276,725,607	$ 283,393,443	$ 321,207,045
do. exclusive of specie	214,894,253	215,417,977	274,994,655

Excluding specie, the last eleven months show a decrease of forty millions in the imports, and a gain of nearly sixty millions in the exports, or a change of one hundred millions in the balance of merchandise trade as usually reckoned.

The market was firm early this week, with the exception of a slight check given the sharp rise in the price of gold. The market is now weaker, as the active inquiry from bankers has lately decreased, and there is a good supply of cotton bills coming forward. This week the cotton receipts are very large, and the amount of cotton bills should naturally increase from this time forward.

The Foreign Exchange market has been seriously disturbed during the last two months. It is gradually approaching its former level. Sterling bills with banker's signatures being now quoted at 108⅝ *a* 108¾. The best bankers' 60-days sterling bills are offered at 108⅞ for this week's steamers; do. at short sight 109¾, up to half-past one o'clock, when the rates of each were marked down one-eighth of one per cent., from which time 108¾ for long, and 109⅝ for short-date bills, were the nominal asking rates. We quote: Bills at 60 days on London, 108 *a* 108½ for commercial; 108½ *a* 108¾ for bankers'; do. at short sight, 109½ *a* 109⅝; Paris, at 60 days, 5.28¾ *a* 5.18¾; do. at short sight, 5.16¼ *a* 5.18¾; Antwerp, 5.28¾ *a* 5.20; Swiss, 5.28¾ *a* 5.20; Hamburg, 4 Reichsmark, 94⅝ *a* 95⅝; Amsterdam, 40 *a* 40¾; Frankfort, 40⅝ *a* 41⅛; Bremen, 4 Reichsmark, 94⅝ *a* 95⅝; Prussian thalers, 71 *a* 71¾. The prices at this date, compared with the last three months, are as follows:

Sixty days' Bills.	*Aug. 21.*	*Oct. 22.*	*Nov. 21.*	*Dec. 22.*
On London, bankers'...	107¾ @ 108	107 @ 108	106½ @ 107	108⅜ @ 108⅝
" commercial	107¼ @ 107⅝	105 @ 106	105¼ @ 106	108 @ 108½
Paris, francs, ₱ dollar..	5.35 @ 5.30	5.42½ @ 5.32½	5.42½ @ 5.31¼	5.28¼ @ 5.2[illegible]
Amsterdam, ₱ guilder.	39⅝ @ 40	38⅝ @ 39⅜	38⅝ @ 39¼	40¼ @ 40⅜
Frankfort, ₱ florin	40½ @ 40⅞	39½ @ 40¼	39½ @ 40¼	40⅝ @ 41⅛
Hamburg, ₱ 4 R'mark..	94⅛ @ 95	92¼ @ 93⅛	92½ @ 93⅛	94⅝ @ 95⅜
Prussian thalers	70⅝ @ 71¼	69¼ @ 70⅜	69½ @ 70⅜	71 @ 71¾

The following are the brokers' quotations representing the price in gold for other coin. Mexican dollars, of both old and new stamp are now quoted at the same rates:

Trade dollars, 99 *a* 100; American silver, large, 95½ *a* 97; American silver, small, 95 *a* 97; Mexican dollars, 98 *a* 99: English silver, 470 *a* 485; Five francs, 90 *a* 92; Thalers, 68 *a* 70; English sovereigns, 485 *a* 488; Twenty francs, 386 *a* 390; Spanish doubloons, 15.50 *a* 16.00; Mexican doubloons, 15.50 *a* 15.00.

The banks of the City of New York have this month resumed the publication of their weekly returns. They have commenced a policy of contraction of liabilities in order to secure a return or recovery of their former volume of legal tenders. They have already brought that up to forty-two millions, and it is to be hoped that they will maintain this policy until the aggregate shall reach the sum on hand three or four years ago. We submit the aggregate for 1878, compared with former years:

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$257,852,460	$12,794,892	$65,026,121	$32,762,779	$202,533,564	$466,987,787
Jan. 4, '68..	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69..	259,090,057	20,736,122	48,896,421	34,379,609	180,490,445	585,304,799
Jan. 3, '70..	250,406,387	31,166,908	45,034,608	34,150,887	179,129,394	399,355,375
July 4.....	276,496,503	31,611,330	56,815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71..	263,417,418	20,028,846	45,245,358	32,153,514	188,238,995	467,692,982
July 3.....	296,237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72..	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1.....	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73..	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3	286,879,600	18,612,200	45,802,100	27,501,000	217,168,500	661,411,941
Mar. 3.....	281,344,900	16,370,500	40,724,000	27,601,300	202,066,100	818,260,202
April 7.....	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
May 5.....	270,721,100	18,677,800	40,051,700	27,564,400	196,471,900	698,038,785
June 2....	277,958,800	19,482,000	44,332,300	27,447,100	208,136,500	454,272,030
July 7.....	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
July 29.....	289,389,100	31,249,300	49,957,100	27,225,100	239,118,300	547,225,952
Aug. 4.....	289,986,200	30,272,200	50,030,500	27,188,000	238,840,900	465,712,370
Sept. 1.....	288,883,000	23,095,200	44,729,300	27,281,900	220,390,300	447,799,948
" 8.....	288,374,200	21,767,000	38,679,900	27,355,500	212,772,700	553,727,902
" 15.....	284,536,200	20,442,300	36,717,200	27,383,400	207,317,500	548,295,978
22.....	278,421,700	18,844,600	34,307,900	27,414,200	198,040,100	654,392,916
Ten weeks intermission to Bank Reports.						
Dec. 8....	252,373,500	21,158,600	38,214,000	27,186,100	182,015,300	419,721,752
" 15....	254,520,600	22,319,500	42,060,600	27,167,200	190,054,200	423,434,803
" 22....	257,191,900	21,987,900	44,567,700	27,125,400	194,116,500	407,892,373

The tabular statement of the city banks shows a healthy increase in the volume of legal tenders, from 42 to 44 millions. This policy, if maintained for a few months, will restore greater strength to the banks of this city; an improvement which will readily be suggested to and adopted by the banks of other large cities—a policy which will, if steadily followed, restore the whole country to vigor and permanent prosperity.

The banks of Boston have made their weekly exhibits without interruption, and show but little reduction in their operations. The loans do not vary one million from the aggregate reported at the opening of the year, the deposits being ten millions less. We annex the summary for the year 1873, compared with former years.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868....	$94,969,249	...$1,466,246	...$15,543,169	....$24,626,559	....$40,856,022
Jan. 4, 1869....	98,423,644	 2,203,401	 12,938,342	 25,151,340	 37,538,767
Jan. 3, 1870....	105,985,214	.... 3,765.347	 11,374,559	 25,280,893	 40,007,225
Jan. 2, 1871....	111,190.173	 2,484,536	 12,872,917	 24,662,209	 46,927,971
July 3	119,152.159	.... 1,441.500	 13,117,482	.... 24.816,012	.... 50.693,067
Jan 1, 1872....	115,878,481	 4,469,483	 9,602,748	.... 25.715,976	 46,994,488
July 8........	112 164.800	 2,740,100	 9,471,800	.... 24,877.000	.... 48.875,500

The deposits (after this date) include the amount due to other banks.

Jan. 6, 1873...	122.872,700	 2,075,400	 11,122,500	 25,614,400	 74,113,500
Feb. 3	125,088.700	 2,253,300	 11,507,300	.... 25,485 800	 77,272,500
Mar. 3........	124.390,400	 1,015,100	 11,185,600	... 25,457,500	 74,833,700
April 7......	120,001,600	 922,600	 8,939,300	 25,519,400	 64,623,200
May 5.......	117,501,100	.... 1.401,100	 9,191,600	 25,625,700	 65,809,400
June 2	117,959.600	 1,269,200	 11,406,800	 25,445,100	 69,422,860
July 7.......	122,947,000	.... 1,935.400	 11,267,600	 25,487,700	.... 73,218.900
Aug. 4.......	123,617,400	 1,536,000	 10,955,600	.... 25.550,000	 71,110,300
Sept. 1.......	123,417,600	 1,121,500	 10,733,200	 25,490,200	 68,625,500
Oct. 6.......	119,468,000	 1,363,400	 8,308,100	 25,948,400	 55,913,400
" 14.......	120,327,300	 1,608,000	.... 9,003 200	 26,061,500	 56,950,600
" 20.......	120,197,000	 1,729,900	 7,850,900	 26,090,100	 57,654,600
" 27.......	120,559,900	 1,809,900	 8,528,300	 26,099,300	 57,933,300
Nov. 3,......	119,788,400	 1,849,400	 9,045,400	.... 26.139,100	 59,399,200
" 10.......	120,090,700	.... 2.144,300	 9,429,200	 26,162,100	 61,435,000
" 17.......	120,461,000	 2,410,200	 9,644,800	.... 25.749,100	 62,330,000
" 24.......	120,033,300	 2,453,500	 10,047,600	 26,089,300	 61,730,800
Dec 1.......	119,483.400	 2,612,200	.... 10,559.300	 26,049,300	 62,779,200
" 8.......	120,470,500	 2,567,700	 10,839,700	 25,992,000	 63,309,000
" 15.......	121,684,600	 2,387,700	 10,789,700	 25,913,700	 64,471,300

The export of gold from ENGLAND to this country has now ceased, and, in the usual course of trade, the gold lately received at New York from Liverpool will be re-exported. The BANK OF ENGLAND, in view of the large export of gold to the UNITED STATES, advanced their rate of discount, November 6th, to nine per cent.. It was reduced to eight per cent., November 20th, and is now standing at five per cent., as reduced December 4th, while the open market is easy at four and a-half per cent.

The sudden reduction of the rate of discount in London is followed by a similar fall in continental cities. The allowances for money at the London private and joint-stock banks and discount houses have been reduced, in accordance with the reduction of the bank rate, and are now:—Private and Joint Stock Banks at call, 4 per cent.; Discount Houses at call, 4; ditto at seven days' notice, 4¼; ditto at fourteen days' notice, 4½. The discount quotations current in the chief continental cities are as follows:—Paris, 5 per cent.; Berlin, 5; Bremen, 5; Frankfort, 5; Amsterdam, 5½; Brussels, 6; Leipzig, 6; Vienna; 5; St. Petersburg, 7.

Government bonds have been quiet, and in tone about steady, the business in these securities now amounting to very little. The market closed on the basis of 117¾ to 118 for 1867s.

In State bonds there were no new features, the sales being limited. Missouri 6s sold at 92⅝ *a* 93, and Tennessees at 80¼ *a* 80⅝.

The Philadelphia banks have also resumed their weekly reports, which show a healthy increase of legal tenders, with slight changes in their deposits and loans. We reproduce the returns for 1873 compared with other years.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868	$5[illegible].002,304	$235,912	$ 16,782.432	$10,639,000	$36,621.274
" 4, 1869	50,716.999	252,483	13,210,397	10,593,719	38,121.023
" 3, 1870	51,662,662	1,290,096	12,670,198	10,568,681	38.890 001
" 2, 1871	51,861,827	1,071,528	12.653,166	10,813,212	38,660,403
" 1, 1872	55,631,723	1,069,585	11,228,988	11,348,851	42.049,757
July 1, "	59,659,324	228.338	13,952.002	11,345,868	50,021,793
Jan. 6, 1873	55,370.011	424,458	10.576,155	11,331,579	40,861.114
Feb. 3, "	57,062,437	352,775	10.599,532	11.370,253	42,120 451
Mar. 3 "	56,867,858	271,544	9,917,655	11,389.972	41,495,605
April 7, "	57,075,617	130,936	9,663,471	11,475,119	40,124.310
May 5, "	59,006,414	238,944	11,641.739	11,438,679	45,177,200
June 2, "	61,135,011	116 089	15.377,993	11 434,591	51,833,223
July 7, "	60,480,403	322.826	14.513,757	11 431.847	48,200,545
Aug. 4, "	59,923,183	356,531	15,227,709	11,444,767	48.255,437
" 25, "	59,714,370	210,215	13,391,000	11,450,378	45,395,053
Sept. 1, "	59,317,093	208,580	13,348,119	11,454,680	45,089,892
" 22, "	58,109,410	258,965	12 432,254	11,473,843	43,018,525
Nov 24. "	58,194,000	959,000	14,741.000	11,519,000	45,847,000
Dec. 1, "	57,724,144	754,097	14,900,484	11,546,740	45,759,626
" 8, "	57,735,908	908,371	15,247,520	11,500,127	45,773.155
" 15, "	57,262,364	976,401	15,173,449	11,497,829	45,505,506

Errata.

Page 508, fourth line from foot, for *valid*, read *radical*.
Page 510, seventh line from top, for *business* speeches, read *luminous* speeches.
Page 510, nineteenth line, for *broker*, read *banker*.

DEATHS.

In Springfield, Vermont, on Wednesday, November 19, aged seventy-two years, Henry Barnard, formerly President of the First National Bank of Springfield, Vermont, 1864-1869, and in 1872.

In New York City, on Sunday, November 30th, aged fifty-one years, John Armstrong, President of the Hudson County National Bank, of Jersey City.

In Macon, Missouri, on Tuesday, November 18th, B. N. Tracy, senior member of the banking firm of B. N. Tracy & Co., at Macon, Macon County.

In Fall River, Massachusetts, on Saturday, November 15th, 1873, aged seventy-three years, Jesse Eddy, President of the National Union Bank, of Fall River, and one of the trustees of the Fall River Savings Bank.

In Philadelphia, on Tuesday, December 9th, aged seventy-one years, Elijah Dallett, President of the Penn National Bank, (and its predecessor, the Penn Bank,) during the last twenty-six years.

In Trumansburg, N. Y., on Monday, December 15th, aged fifty years, Henry D. Barto, banker, of that place.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

Vol. VIII. Third Series. FEBRUARY, 1874. No. 8.

PUBLIC DEBT AND TAXATION.

By D. Wilder.

In the number of this magazine for January, on page 507, it is said, that to carry on the war in which we unexpectedly found ourselves engaged, it was not necessary to use gold, nor bank notes, except as small change; but, that a debt should have been created in the form of compound-interest notes, which would have been a popular loan, and funded themselves without cost, in the hands of capitalists both at home and abroad.

There are not many, even among the most determined advocates of an irredeemable, inconvertible currency, who will pretend that a legal tender, bearing liberal, compound, gold interest, and receivable for all sums due to the government, would not have been the very best paper we could possibly have given for the products of labor, and compensation of the men required, and it will also be admitted that such notes would have disappeared as investments, almost as fast as offered, and made room for new issues, until the war could have been paid for at not more than two-thirds what it really cost.

To the mind of any intelligent banker, or man of business, all this will be sufficiently plain. But it is not to be expected that all will at once accept the assertion, that we could not only have dispensed with specie and bank notes, but, that there was really no necessity for

creating a public debt at all, except temporarily, until the proper means could be adjusted, to raise the whole amount wanted by taxation, or an equitable contribution by each one, in proportion to his means and responsibility, as we pay for the ordinary expenses of government.

It is not pretended that we should not, at first, have been obliged to call for all the resources then in existence at home, and also, if we were able, borrow abroad. It would, of course, require some time to direct our energies into new channels, to meet the new demands. But, it will be found upon due investigation, that the industries of our northern people, when once set in the right direction, would have been amply sufficient for all the wants of the war, and that at its close we need not have owed a dollar of debt, or had any considerable disturbance in our trade.

MASSACHUSETTS is said to be exerting with her abundant, labor-saving machinery, the productive force, which fifty years since would have required the labor of an hundred millions of men. And MASSACHUSETTS, though credited by Baron DUPIN, in his report to the French government, on the industries of all nations, as exhibited at the Great Exposition, with being the most productive spot on the globe, in proportion to its size and population, is not alone in its immense power.

And, it must be also remembered, that the great fertile fields of the Western States could feed many such armies as we had in the service, and all who were in any way connected with them, and therefore, we are to conclude, without a question, that what has been claimed was not only possible, but, that under the circumstances, it would have been our very best course, to have insisted upon contributions from each section, of such products as were best suited to its conditions, and made a distribution of the cost in such a manner, that each should bear its proportion of the whole sum. How this could have been done, will be shown hereafter, in treating the question of taxation.

TWO KINDS OF DEBT.

A debt incurred like that of MASSACHUSETTS, to aid in the construction of an important line of railroads, as a kind of labor-saving machine, which will before the maturity of the bonds issued, create, besides meeting the annual interest, a fund sufficient for their payment, is one kind of indebtedness.

And, this kind may be increased, just so fast, and so far, as it appears clearly, that there is a sufficient surplus of commodities, which can be spared for conversion into fixed forms, as instruments of new production. But, when the commodities, or in other words, the immediately available means, are not in existence, and the roads, or other property, must be dependent upon the sale of bonds, rather than paid-up capital, the debt becomes quite a different thing, for it then represents that which, for the time, has no value. The wealth which has been given for the bonds has been destroyed, and the

holders of the paper are impoverished. This is the condition of many millions of the bonds issued by our roads, under our false, inflated system of finance, and it is not creditable.

Our national debt may, in a certain sense, be considered as one incurred to secure a great internal improvement, and if not directly, it will indirectly be of sufficient advantage to justify its existence.

It was worth something to liberate the North from a long-continued subordination to the South, and also to destroy slavery of another and more palpable kind. And, perhaps, we ought not to complain of the immense waste of life and property which the contest involved. But we are at least entitled to learn something from experience, in order that another such undertaking may be made to cost less, and we therefore offer our objections, if not to the creation of a debt originally, at least to the amount which was so exaggerated by our mismanagement, that we have paid already, or must hereafter pay as much as two thousand millions of dollars more than there was any necessity for. Reducing the value of the dollar one-third, and even one-half at times, and then selling six per cent. gold bonds at par for such dollars, which are subsequently increased in value to ninety as against the debtors, is not good financiering.

The debt however, exists, and it is payable in specie or its equivalent. It is not proposed to repudiate, or what is the same thing, issue notes not bearing interest, and compel the holders of the bonds to take these in exchange. The country is not ready for this.

On the contrary, we believe that the legal tenders which are the cause of so much uncertainty and confusion in our business should all be funded, as was proposed in the article already alluded to, by placing them on liberal, compound, gold interest in the hands of the present holders, and providing that from time to time, if there should be sufficient demand, there might be issued a permanent bond, a consol, with interest at four per cent., payable quarterly in both New York and London, which would make them a desirable investment for trustees and others, who care more for certainty of payment than for excessive returns.

They might also be taken of the bankers, as a security for their fidelity in redeeming the notes, to be entrusted to them, under a free system of banking, in place of those now in circulation, which should be withdrawn and funded, in the same manner as the legal tenders, and thus all the government floating debt disposed of.

With regard to the remainder of our debt, or that portion known as 5.20s and 10.40s, one at six, and the other at 5 per cent. interest, it remains to be said, that there should be provision for gradual exchange of both these into bonds payable by installments, at specific dates, so that the purchaser may know absolutely when he is to be paid. Some purchasers prefer ten years, others twenty, or it may be a longer time. There should, therefore, have been originally a portion of the debt in consols, a portion in forty years, and the remainder in twenty, and perhaps ten years, each class of course being subject to purchase, if by any chance there should be, as in 1837, a

surplus in the treasury, which could not be disposed of in any other mode.

The first step, however, with every debtor, or borrower, should be to make his credit good at the largest money centre which can be reached, and then make his paper payable at that point, and pay promptly. We have not done this with our public debt, and we shall find eventually that our omission to do so has been a very expensive experiment, which in case of another war should not be repeated.

MINTS AND STOCK EXCHANGES.

Country.		*Language for* "THE MINT."	*Language for* "THE STOCK EXCHANGE."
Austria	OESTERREICH	Die Muenze	*Die Boerse.*
Belgium	LA BELGIQUE	L'Hotel des Monnaies	*La Bourse.*
Bolivia	BOLIVIA	Casa Moneda	*Bolsa (Lonja).*
Brazil	BRAZIL	Casa de Moeda	*Praca de Commercio.*
Chili	CHILE	Casa Moneda	*Bolsa (Lonja).*
Denmark	DANEMARK	Monten	*Borsen.*
Equador	ECUADOR	Casa Moneda	*Bolsa (Lonja).*
France	LA FRANCE	L'Hotel des Monnaies	*La Bourse.*
Germany	DEUTSCHES REICH	Die Muenze	*Die Boerse.*
Italy	ITALIA	La Zecca	*La Borsa.*
Mexico	MEJICO	Casa Moneda	*Bolsa (Lonja).*
Netherlands	NEDERLANDEN	De Munt	*De Beurs.*
Norway	NORGE	Mynten	*Borsen.*
Sweden	SVERRIGE	Mynten	*Borsen.*
Portugal	PORTUGAL	Casa de Moeda	*Praca de Commercio.*
Spain	ESPANA	Casa Moneda	*Bolsa (Lonja).*
* **Switzerland**	DIE SCHWEIZ	Die Muenze	*Die Boerse.*

Although the Swedish and Norwegian languages are different from each other, the denomination for "Mint" and "Exchange" is alike.

In BELGIUM the predominant language is the French; in some parts of the country they speak Flamand, and also Walon.

In BRAZIL they speak the Portuguese language.

In BOLIVIA, CHILI, EQUADOR and MEXICO, the Spanish.

In RUSSIA, GREECE and TURKEY they use types different from ours, and from each other.

Politically, Tunis is dependent upon TURKEY; besides the Turkish language, the Arabian is also in use in Tunis.

* Name for Switzerland in the German language, as this language is spoken in the greatest part of Switzerland, say in about thirteen or fourteen cantons. In about four or five cantons they speak French. Besides there are three cantons where the Italian language is predominant.

SIMPLE, EQUITABLE TAXATION.

We are to rejoice that one of our highest courts has decided, that to tax mortgages is unconstitutional, and it is to be hoped that ere long it may be found that no paper, or mere title to property is taxable, while the property itself is always within our reach, and can without difficulty be compelled to contribute its share, toward paying the expenses of the government required for its protection.

There are two kinds of government: one local, and the other general. There are also two, and only two, classes, or kinds of property; one of these being real estate, including all those things which are used as instruments in the production of the other kind, which comprehends all that we call merchandise..

The real estate, tools and machinery do not move, if we except vessels, the rolling stock of railroads, and other means of transportation, and we therefore should hold all this subject to taxation, whereever it belongs, for the support of State and other local governments.

Merchandise, on the contrary, is bought and sold everywhere, and some of it many times. It is here to-day, and there to-morrow. It may exist on the day the valuation is made for assessments, or it may not. But, notwithstanding this fleeting and evanescent character, a tax can be imposed upon every dollar's worth which is sold, and this should be done for the benefit of the general government solely, changing from time to time, if necessary, not the mode of assessment, but the per centage on the amount sold.

It will be objected that a tax on the total amount of each person's sales will be inquisitorial, and tend to discourage commerce. SPAIN, it is said, has tried this mode, and failed.

That it would compel all those who attempt to act as merchants, or mere factors, to keep a true account of their transactions, to be exhibited if necessary to the proper officers, we do not deny. And, that it would tend to diminish the number of this class, and the consequent cost of our products by making a less number of sales chargeable, we readily admit.

We have too many factors, and of producers, not enough.

As for the experience of SPAIN we think the less said the better, so far as any argument against our proposition is concerned. SPAIN in an industrial, and commercial point of view, is not the UNITED STATES.

Neither SPAIN nor FRANCE is really republican, nor is it likely that, for the present, they can be. Both these nations cling to a religion which forbids, instead of encouraging, personal freedom and activity such as we enjoy, and we do not propose to accept them just now as our models.

Admitting that our plan is a good one, we shall be asked why all that is called personal property, should not pay a tax. Why the stock of railroads, banks, and insurance companies, to say nothing of State and municipal debts should not be included.

The reply to this is, that all paper used in our transactions in relation to property, is either a deed, or a mortgage, and the Supreme Court of CALIFORNIA has wisely decided, that no such paper has a value which subjects it to taxation.

The check, or draft of the banker, if it is of any force, transfers his right temporarily, to the borrower, who in return gives a note (or mortgage) payable in future.

The property transferred is not described, nor is it stipulated that the same kind shall be returned. But an equal value of something which will satisfy the banker must be given in payment of the note, and this is ordinarily a check, draft, or bill of exchange, all acting now as before, just like the deed.

The entire capital of the bank, except what may be invested in real estate, and fixtures required for its work, consists of notes payable from time to time, by those who have borrowed, not money, as most persons suppose, but merchandise, or whatever else the notes and checks of the banker would exchange for; all the property thus loaned and borrowed can be subjected to proper taxation, and it is not apparent that there is any sense or justice in the attempt to impose, as we do, a second tax.

The stock and bonds of a railroad represent the property belonging to the corporation and the bondholders. Let all this property be equitably taxed wherever it is situated, and there stop. Its value can be ascertained, and the corporation be compelled to pay once, and that is sufficient. The bondholders will, of course, pay no tax, and consequently will lend at less interest.

The bonds of our general government represent property destroyed during the war. They are not even a mortgage on anything visible or tangible, but depend for their payment upon the good faith of the people who will be called upon hereafter to create the required amount of capital for the purpose. Sometimes governments repudiate. It is not supposed that our own people will do so, for, as a young and borrowing nation, they cannot afford to damage their credit, even by semi-repudiation, such as some demagogues propose, by issuing notes without interest, or at most only 3.65 per annum, in place of those now paying five and six per cent.

We cannot tax these bonds, nor any other such obligations, but we can provide properly, that not a dollar of the income from them can escape, because all in which this income is invested will be taxed.

The capitalist cannot purchase or hire a house, or pay his board, whether he be foreigner or native, without contributing his share of governmental expenses.

Neither will there be any discrimination in favor of the poor, or against the rich. We cannot know who is poor, or rich, but we can compel all to pay their proper proportion, as they do other expenses.

There must be no "graduated taxation," which would treat the industrious, prudent capitalist as if he were a public nuisance, and not a benefactor, as he really is; nor must there be any omission of the churches, or other institutions, which have hitherto been excused on supposed charitable grounds. If these institutions can afford to exist they can afford to be taxed like all others, equitably.

All property, public as well as private, should be subjected to a fair, intelligent scrutiny and valuation, and pay a tax accordingly, wherever it belongs.

There should be no tax on transactions like insurance, or other similar pursuits. Nor should there be duties on merchandise, whether foreign or domestic. We can raise all the revenue we need, cheaper and better than can be done through the Custom Houses, which, if our recent experiences prove anything, only encourage fraud.

We do not need protection, for just so soon as any industry in this country ought to grow it will grow. Until then let us wait.

Finally, we ask the readers of the BANKER'S MAGAZINE, to consider what has been said carefully, and then decide, if our plan is not only simple and equitable, but feasible.

The term capital, in political economy, is held to include not only the necessary means of sustenance from harvest to harvest, but the general store of a country so far—some say as it is applicable, and others as it is applied—to the purpose of production. Without going into the question of the differences between the meaning of a word we can all understand—namely, wealth—and that of a word which is a favorite creation of economic writers, it is clear that all appliances for facilitating work come under the appellation of capital. Tools, engines, factories, all those contrivances by which a few men can now perform the work once requiring the labor of many, are portions of that capital which is said to regulate labor.

—*Edinburgh Review, October*, 1873.

On the other hand, or credit side of the account, the receipts of the railway companies in 1871, amounted to within a few thousands of the gross total of forty-nine millions sterling. If we regard this sum as composed of working expenses and profits, we come to the result that the 300 square miles devoted to the railway net now produce an annual return which is equivalent to the support of 440,000 persons, each receiving one pound per week wages, and each, at the same time, earning the further sum of twenty-two shillings a week for his employers. The balance gives the sum of 364,000 laborers supported, or of forty-five millions sterling of increase, as the result, thus far, of the development of the railway system.

—*Edinburgh Review, October*, 1873.

FINANCES OF THE STATE OF NEW YORK.

The annual message of Governor JOHN ADAMS DIX was communicated to the legislature of NEW YORK on the 6th January. His views on the banking system and on the currency question are able and sound, and deserve the earnest consideration of the people and of Congress, with a view to lessening the existing demoralization, extravagance and speculation of the country. The State of NEW YORK is fortunate in having its executive chair filled by one who has distinguished himself as a military man! as a senator of the UNITED STATES, and as the head of the Treasury. Had the Treasury been controlled of late years by such a man it would have enjoyed the confidence of the community. We submit the following extracts for the information and edification of our readers:—[*Ed. B. M.*]

BANKS.

On the 1st day of October last eighty banks were doing business under the laws of the State. During the fiscal year circulating notes to the amount of $20,972 were destroyed by the Bank Department. One hundred and fifteen banks were credited with lost circulation to the amount in all, of $480,913, the time for redeeming the same, after the usual legal notice, having expired.

The amount of circulation outstanding, including that of incorporated banks, banking associations, and individual bankers, was, on the 1st of October last, $1,400,116.50. Of this amount the sum of $656,240 was secured by deposits of cash, stocks, or stocks and mortgages. The residue, being circulation issued prior to the passage of the General Banking law, is not secured by any deposit in the Bank Department.

There were forty-one banks incorporated prior to the enactment of the General Banking law, that had not, on the 22d of May last, the date of an act to provide for their final closing, taken any step toward such closing. Twelve of these have since given notice of final closing under the provisions of that act.

During the fiscal year one bank discontinued business, and thirteen were organized, eleven of which commenced business. Six of these latter were changed from banks organized under the National banking laws.

SAVINGS BANKS.

There were on the 1st of July last, 152 savings banks reporting to the Bank Department (three of which are closing), with assets aggregating $314,755,770.

The increase in assets during the six months ended July 1, 1873, amounted to $9,425,439. The number of persons having deposits in

these institutions was, according to the number of open accounts on the 1st day of January, 1873, 822,642, being an increase of 45,942 deposits during the year then ended.

In my annual message in January last, it was recommended that a general law should be passed defining the powers of savings banks and repealing all special privileges in existing charters inconsistent with it. It was also suggested that the amount which any one individual should be allowed to deposit should be limited. These suggestions are renewed, with the further recommendation that these institutions should not be allowed to pay more than five per cent. interest on deposits. These deposits exceed $300,000,000, and the interests involved are so serious that the subject is one of the most important that can engage the attention of the legislature. The primary consideration is safety, and this can only be secured by the very best investments, and by a moderate rate of interest to depositors. Five per cent. is believed to be the maximum which these institutions can afford to pay if sound rules are applied to their transactions.

It is also recommended that no director or officer of a savings bank shall be a director or officer of any bank of discount in which its moneys are deposited. Institutions of both classes are in some instances under the same management, and there is always danger that moneys which are deposited with the former, and required to be invested in permanent securities, may enter into the ordinary business of the latter, and be loaned out on discounted notes, in violation of the requirements of the law. The former are established for the benefit of persons in moderate circumstances, and every possible precaution should be taken to secure the accomplishment of the object of their creation.

INSURANCE DEPARTMENT.

The number of insurance companies subject to the supervision of the Insurance Department was, on the 31st day of December, 1873, 271, as follows:

New York joint-stock fire insurance companies	99
New York mutual insurance companies	7
New York marine insurance companies	9
New York life insurance companies	28
Fire insurance companies of other States	83
Life insurance companies of other States	28
Casualty insurance companies of other States	3
Foreign insurance companies	14
Total	271

The total amount of stocks and mortgages held by the department for the protection of policy holders of life and casualty insurance companies of this State, and of foreign insurance companies doing business within it, was $9,480,046, as follows:

For protection of policy holders generally in life insurance companies of this State	$ 3,715,199
For protection of registered-policy holders exclusively	3,033,847
For protection of casualty-policy holders exclusively	1,000
For protection of fire-policy holders in insurance companies of other States	30,000
For protection of fire-policy holders in foreign insurance companies	2,397,000
For protection of life-policy holders in foreign insurance companies	303,000
Total deposit	$ 9,480,046

Railroad Companies.

The profligate management of some of our railroad companies, and the losses resulting from it to those who have contributed to their construction, calls for some efficient measures of correction. The incalculable value of these improvements is universally conceded. They are indispensable to the public convenience; they enable us to cross the continent in less time than was required to go from New York to Buffalo half a century ago; and they bring to our doors products of the States and Territories west of the Mississippi which would otherwise never have reached us. They ought not by our legislation to be rendered unable to perform the valuable services they are rendering in bringing distant portions of our widely-extended country into virtual contact, and in advancing our prosperity and growth with a rapidity hitherto unknown. But it is our duty to protect our towns and our citizens, who have aided in their construction, against the reckless and unscrupulous acts of the directors, by whom they are managed. Immense associations for railroad purposes, wielding hundreds of millions of dollars, have grown up within the last fifty years; and wherever great wealth is accumulated in new forms, we must expect it to be invaded through new forms of depredation. We have not kept pace with the progress of the crimes which this aggregation of capital has produced, by enacting suitable laws for their repression and punishment. The application of the funds belonging to railroad companies to objects other than those for which they were incorporated, and the use of these funds in any manner by the managers for private profit, should be made crimes punishable by imprisonment. It is a reproach to our criminal jurisprudence that there are hundreds of malefactors in our State prisons undergoing sentences for stealing sums under $ 50, while there are others at large who have by fraudulent contrivances for their own benefit sacrificed the property of confiding shareholders, many of whom are women and children, to the amount of hundreds of thousands of dollars, and are living in luxury on the proceeds of these enormous larcenies.

Our statutes in regard to the embezzlement of moneys and breaches of trust, are exceedingly defective in respect to the acts and persons embraced in them, the definition of the crimes, and the degree of the punishment awarded to them. Public officers and servants are not embraced in the statute of embezzlements; and it is doubtful whether it covers the acts of the officers and servants of public corporations, while the statute in regard to breaches of trust reaches only the acts

of public officers, and provides for aggravated cases the inadequate punishment of imprisonment for a year in the County Jail and a fine of $ 250. There is nothing more glaring in the daily exhibition of crime than the abuse of fiduciary trusts. Little is needed now on the score of a firm and unsparing administration of justice; but there will be no security against the bad faith of trustees, employes of the State, and the managers and directors of corporations, public and private, until the conversion to their own use of the moneys confided to them, or the diversion of such moneys from their proper objects is more severely punished.

Among those who have suffered by the fraudulent or improvident management of railroad companies are the inhabitants of many towns which have been induced to subscribe to the capital stock, and have issued their corporate bonds to pay for it. These subscriptions will, in all probability, in some instances, be a total loss, which must be made up by assessments on the property of the people of the towns from which they were procured. The bonds already issued by authority of the legislature are no doubt valid. But it seems to me to be due to the inhabitants of our towns, who are solicited, and often successfully, to subscribe to the stock of these companies by sanguine or exaggerated representations as to their productiveness, that all laws authorizing such subscriptions should be repealed.

It is estimated that at least seventy-five per cent. of all the operations of the Stock Board in the City of New York are in railroad stocks and bonds; and the enormous speculations of which they furnish the material, have contributed largely to the derangement of the legitimate business of the country. The practice by banks, which has to some extent prevailed, of certifying checks to be good when there were no deposits to meet them, has aggravated the evil by giving to particular individuals an almost unlimited credit, to be used in stock gambling. This practice should be arrested by making it a penal offense for any officer of a bank to certify a check unless the drawer of the check has a sufficient deposit in the bank to pay it.

Under former statutes framed to restrain stock-jobbing, contracts to sell or transfer at a future day evidences of debt or stocks not in possession of the party so contracting at the time of the contract, were declared to be absolutely void. These provisions of law were repealed in 1859. If they were revived, as has been suggested, they would probably be so generally evaded as to be inoperative.

The Currency.

The City of New York is the financial and commercial centre of the Union. The greater part of the revenue from imports is collected there; and there, by its widely-extended mercantile transactions, our foreign exchanges are for the most part regulated. Unfortunately, too, it is the principal theatre of the speculations, always enormous and frequently fraudulent, by which the legitimate business of the country is deranged and its good name sullied. The interests of the city and State are thus so intimately interwoven with

the condition of the currency of the country, that I feel justified in considering it within the provision of the Constitution, which requires the Governor "to communicate by message to the Legislature at every session the condition of the State, and recommend such matters to them as he shall deem expedient."

The financial pressure under which the country is laboring has exhibited a new phase—a suspension by the banks, not of payment in specie, but of payment in depreciated and inconvertible paper—a lower depth of discredit than we have ever before reached. Their condition, when public confidence was at its lowest ebb, may be exemplified by the hypothetical case of a debtor, who, when called on to pay, could only give his creditor a certificate that he owed him the money; and it is worthy of consideration that their inability to meet their obligations occurred with $700,000,000 of circulating bank and government notes outstanding.

The disordered condition of the currency, out of which this extraordinary suspension arose, is a source of general dissatisfaction to the people of the country, and of serious injury and embarrassment to our commercial transactions at home and abroad. Indeed, it may be justly said that the recent sudden revulsion in nearly all the channels of productive industry, by which multitudes of the laboring classes have been thrown out of employment, the fraudulent devices for pecuniary gain, the inordinate speculations, the profligate expenditure, public and private, and the wide-spread demoralization, by which we are dishonored, are the legitimate consequences of a long-continued suspension of specie payments by the Government and the banks. If, as is believed, nothing but imminent danger to the public safety can justify a legislative act making depreciated paper a legal tender in contracts between individuals, it is the manifest duty of the Government to repeal it at the earliest practicable day, when the danger is over, and put an end to the evil and injustice it has produced. And yet, after the lapse of nearly nine years from the suppression of the rebellion, no step has been taken by Congress to repair this great public and private wrong. No country has ever had more abundant facilities for restoring or keeping up its circulating paper to the universal standard of value than we have possessed during this long period of inaction. We are producers of the precious metals in large quantities. The products of our mines during the last nine years are reported at $639,500,000. In the same period we coined $244,351,394.89 in gold, and $25,787,331.76 in silver—in all, $270,138,726.65. Thus, but little more than 42 per cent. of the products of our gold and silver mines have reached our mints, while one of the chief occupations of our assay offices has been to convert our bullion into bars for exportation. We have, by the continued use of irredeemable paper, banished from the country the greater part of the precious metals which we have produced, or driven them into the manufacture of articles of luxury. We have gone so far in this false direction by the issue of $48,000,000 of fractional currency, as it is called (more than

$28,000,000 of which is below the denomination of fifty cents), that we have expelled all our silver coin from circulation, leaving the whole business of domestic exchange to be carried on with depreciated paper, excepting the pieces of base metal in use of the value of five cents and under. To make the return to specie payments more remote and difficult the Treasury Department has during the last five years thrown into the market for sale $324,108,539 of gold coin. If half this amount had been kept in the public vaults, we might at this very hour have safely declared the circulating notes issued by the Government to be redeemable in specie, while the gradual accumulation of such a supply of the precious metals would have been accompanied by a corresponding restraint on overtrading and speculation, and rendered the transition to our present state of restriction comparatively easy and harmless.

There can be no higher proof of the impolicy of this process of self-spoliation than the fact that a direct reversal of it is the only mode by which we can hope to return to the standard of specie. The steps to be taken are, first, to regain the precious metals, of which we have improvidently stripped ourselves, and then to withdraw the paper, by which they have been driven into other channels. If our import duties do not yield a surplus for accumulation after paying the interest on our public debt, it would be far better to repurchase (as we can at a less price than we sold) a portion of the coin we have parted with, than to prolong a state of things which is equally injurious to our industry, and discreditable to our character as a commercial people. It is one of its unjust consequences that we levy on external commerce the whole amount of coin with which the interest of the public debt is paid, thus throwing upon a single branch of industry a burden which should be shared by all.

The experience of all countries attests that a paper circulation cannot be secured from pernicious fluctuations, unless it is upheld by a broad basis of specie. Independently of the consideration of stability in the value of the instruments we employ to effect our domestic exchanges, it is of vital interest to the laboring classes that the precious metals should enter so largely into circulation as to constitute the principal medium for the payment of their wages and the purchase of necessaries to supply their moderate wants. To accomplish these objects we must withdraw our fractional currency and a sufficient amount of notes of other denominations to make the residue practically redeemable in specie. The result would be to infuse into the circulation a supply of coin on which the government and the banks could draw in cases of emergency, and avert much of the evil incident to the fluctuations of a currency consisting largely of paper.

The Bank of England issues no notes under £5 sterling—about $25. The Bank of France issued none before the war with Germany under fifty francs—about $10. The latter country had nearly $450,000,000 in gold and silver coin at the commencement of that contest. Without such a supply of specie to draw upon she could not, without great pecuniary and commercial disaster, have paid

the enormous war fine of nearly $ 1,000,000,000 dollars in which she was mulcted by the Emperor of GERMANY.

There are already numerous schemes to remedy existing evils, some of them providing for an additional issue of interest-bearing bonds, redeemable in greenbacks; or, in other words, of paper in one form, redeemable in irredeemable paper in another form. Unless the testimony of all history is discarded, these schemes can have no other consequences than to prolong and aggravate prevailing embarrassments, and end in a catastrophe more overwhelming to the prosperity of the country and the credit of the Government than any we have yet experienced. It is a great error to suppose that there is any mystery in the currency question, however industriously the belief may be propagated by the advocates of paper, so long as all our reasonings concerning it are in relation with the standard of specie. It is only when men undertake to make that which has no intrinsic value perform an office to which intrinsic value is indispensable; or, in other words, it is only when men try to solve the impossible problem of ascertaining with how much inconvertible paper the commercial transactions of a great country can be carried on, that their minds become mystified and run into the most illogical theories. It is believed that the remedial process, by which we are to be effectually relieved, is one of the utmost simplicity—namely, to gather together at the earliest day possible, by purchase or otherwise, a sufficient amount of specie, to enable us to declare our circulating paper redeemable in coin. The precise amount needed may be the subject of some difference of opinion, but not so great as to cause any serious embarrassment.

The present moment is a most favorable one for restoring the country to a solvent condition. The state of our foreign commerce, the abundance of our harvests, and our general prosperity, combine to inspire confidence in any well-directed effort to accomplish the object; and it is the opinion of many of our most judicious and experienced bankers and financiers that the Government may safely declare now that it will redeem its circulating notes in specie on the 1st of January, 1875.

It is not to be disguised that powerful influences are likely to be felt in Congress, and are already at work, in opposition to all measures framed with a view to bring about the resumption, which public opinion clearly demands, and to which the Government is distinctly pledged. Among these are a large portion of the banks, which look only to present profit; the debtor classes, which naturally desire to pay in the cheapest currency; the large manufacturers, who derive from the premium on gold a protection beyond that which is incident to the present high tariff of duties on foreign products; and the rapacious swarm of speculators, whose schemes can best be accomplished with irredeemable paper. It remains to be seen whether these interests are to control the action of Congress in disregard of the common welfare, or whether, as is earnestly to be hoped, they will be firmly and effectually resisted.

I should not have dwelt on this subject so much in detail but for the deep interest of the people of this State in securing and maintaining a staple currency convertible at all times into specie. The evils we are suffering have been often repeated, but they seem to fade out of our remembrance with every season of returning prosperity. More than half a century ago, in a similar financial and commercial crisis, DE WITT CLINTON, while occupying the Executive chair of this State, addressed to the Legislature, sitting in the same halls in which you are assembled, the following emphatic language:

"The banishment of metallic money, the loss of commercial confidence, the exhibition of fictitious capital, the increase of civil prosecutions, the multiplication of crimes, the injurious enhancement of prices, and the dangerous extension of credit are among the mischiefs which flow from this state of things."

These words of an illustrious statesman, coming back to us after the lapse of years, and portraying with striking fidelity our present condition, manifest that no increase in population and wealth, no advance in general prosperity, no progress in productive industry, in art, or in civilization, can shield us from the fluctuations and reverses which are sure to follow in the train of an irredeemable paper currency.

It will become evident to the statesman that employer and workman are, in truth, concurrent elements in the great social machinery. Their interests, in the long run, can never be opposed to each other. There must, therefore, exist a true relation between labor and wages; an equilibrium of remuneration, any departure from which, whether upwards or downwards, tends to diminish the produce of industry, and is thus hostile to the national well being. No object can more worthily engage the patient study of the statesman than the attempt to ascertain the law that determines the stable equilibrium of work and wages.—*Edinburgh Review, October*, 1873.

We are among those who regard the *principle of co-operation* as pregnant with more direct promise for the future of industry than any other. It is, indeed, although it has been much obscured by the language commonly applied to industrial questions, the very central element of civilization. The municipal spirit, to the operation of which the recovery of EUROPE from the extreme depression of the dark ages is mainly attributed by philosophical historians, is no other than the spirit of co-operation. The laws and rules of co-operative associations may widely vary, from the most orderly detail of an ancient Flemish guild to the simple fellowship which has sprung up anew on our railway works. But the principle itself is simple, clear, and capable of universal application.—*Edinburgh Review*, *Oct.*, 1873.

BRITISH RAILWAY ACCIDENTS.

From the Investor's Guardian.

In the year 1872 there were twenty-four passengers killed, and 1,247 injured, upon the railways of the UNITED KINGDOM, from causes beyond their own control. There were also 1,018 persons killed, and 1,576 injured; these numbers comprising officers and servants of railway companies, trespassers or others, who met with accidents at level crossings, or from miscellâneous causes.

During the year there were 246 accidents, which formed the subject of inquiry by the Board of Trade, being seventy-five more than in the preceding year, or an increase of 44 per cent.

The great bulk of the accidents to trains arose simply from defective signaling arrangements—that is to say, from the absence of the block system, and of the interlocking of signals and points.

It is, in fact, truly appalling to think how many lives were sacrificed, and how much suffering was occasioned during one year by the want of proper precautions and proper apparatus for securing safety.

It is beside the question to compare this annual record of slaughter and suffering with the casualties arising from other modes of locomotion; it is enough to know that the great majority of accidents on our railways are *controllable*, and would never occur if the companies would simply expend the money necessary for their preservation.

The whole case lies in a nutshell—improved signaling arrangements, or an ever-increasing average of deaths and injuries. Thus we find that the number of investigated accidents increased from 171 in 1871 to 246 in 1872, while the number of passengers killed increased from twelve in 1871 to twenty-one in 1872, the number injured being 821 in 1871 and 1,183 in 1872.

Eight of the train accidents of 1872 are classed as "miscellaneous;" of the remaining 238, no fewer than 150 were collisions, 102 of the total of 238 accidents, or 43 per cent. of the whole, having occurred upon three lines—namely, the North Eastern (36), the London and North Western (35,) and the Lancashire and Yorkshire (31).

It will be interesting in view of the accidents recorded against these three companies, to notice the progress which they have respectively made in the introduction of the improved appliances for signaling so often insisted upon, but which, as would appear from results, to have been, so far, by no means generally adopted, even by these wealthy and powerful companies.

Without pursuing the subject further, we may say that the statistics of railway casualties present many interesting studies to the curious in so wide a field of investigation, and we can only hope that such a field will soon become narrowed to the smallest possible dimensions by the action of the companies themselves, in a general co-operation for the avoidance of "preventable accidents," and for the universal minimising of the dangers of railway locomotion.

THE COINS OF OLD ENGLAND.

I. *A Guide to the Study and Arrangement of English Coins; giving a description of every denomination of every issue in gold, silver and copper, from the Conquest to the present time, with all the latest discoveries. By* HENRY WILLIAM HENFREY, *Member of the Numismatic Society of London.* 12mo, pp. 274. London, 1870. (Price in New York, $3.00.)

II. *Numismata Cromwelliana: or the Medallic History of Oliver Cromwell; Illustrated by his Coins, Medals, and Seals. By* HENRY W. HENFREY. London, 1873. Quarto, pp. 20 per No.

The *Guide to the English Coins* contains a large number of engravings, with copious details, descriptive of the coins, their origin, value, &c.; a volume which will be found valuable by numismatists, bankers, coin dealers, and others; and for reference, in public and private libraries.

The later work of Mr. HENFREY will be completed in six parts, quarto, with numerous engravings, and a historical description of all the coins, medals, and pattern pieces of the reign of CROMWELL. Part one contains the following engravings: The Dunbar Medals, Nos. I, II, and III; the Lord-General Medal; V, the Pattern Farthing; VI, the Inauguration Medal; VII, The Privy Seal.

We insert fac similes of the following coins, from Mr. HENFREY'S *Guide*, to indicate the value of the work.

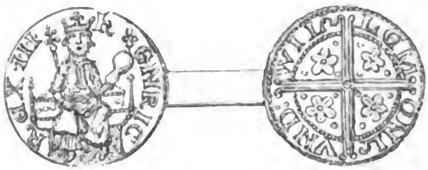
GOLD COINS.

	Name.	*King.*	*Reign.*
1	The Penny	Henry III	1216—1272.
2	The Noble	Edward III	1327—1377.
3	Angel	Henry VI	1422—1461.
4	Sovereign	Henry VII	1485—1509.
5	Noble	Henry VIII	1509—1547.
6	Half-Crown	Henry VIII	1509—1547.
7	Half-Sovereign	Edward VI	1547—1553.
8	Ten Shillings	Oliver Cromwell	1649—1660.

SILVER COINS.

9	Penny	William I and II	1066—1100.
10	Penny	Stephen	1135—1154.
11	Penny	Edward I	1272—1307.
12	Groat	Edward III	1327—1377.
13	Annulet Groat	Henry V and VI	1413—1461.
14	Penny	Richard III	1483—1485.
15	Testoon	Henry VII	1485—1509.
16	Sixpence	Elizabeth	1558—1603.

Henry III. 1216-1272.



I.—Gold Penny. Henry III. 1257.

Until the commencement of the last century, it was the generally received opinion that EDWARD III was the first English monarch who coined gold money in this kingdom. About 1730, however, attention was drawn to a passage in a manuscript chronicle of the city of London, which states that, in 1257, this king coined a penny of fine gold, of the weight of two sterlings (silver pennies of the time), and ordered that it should pass for twenty pence.

These coins, nevertheless, do not seem to have been popular, as Mr. CARTE, in his *History of England*, says that the citizens of London made a representation against them on the 24th November, in the same year, and that "the king was so willing to oblige them, that he published a proclamation, declaring that nobody was obliged to take it (the gold penny), and whoever did, might bring it to his exchange, and receive there the value at which it had been made current, an half-penny only being deducted, probably for the coinage."

By a proclamation of his 54th year, quoted by SNELLING, the value of this coin was raised from twenty pence to twenty-four pence, or two shillings.

These gold pennies are extremely rare, two or three specimens only being known. One of the two in the British Museum was purchased for £41 10*s.* Another sold for £140 at Captain MURCHISON's sale, in June, 1864. They bear, *obv.*, the king crowned, seated on his throne in royal robes, and holding in his right hand a sceptre, and in his left the orb. HENRIC'. REX III. *Rev.*, a long double cross, or cross voided, extending nearly to the edge of the coin; with a rose between three pellets in each angle. WILLEM. ON LVND., LVNDE., or LVNDEN. The workmanship is much superior to that of the silver coins of the same period.

Weight.—45 1-5 grains.

Fineness.—Pure or fine gold, without alloy.

Between the issue of this gold penny in 1257, and the first issue of EDWARD III in 1344, an interval of nearly ninety years, no coinage of gold money is known to have taken place.

CAMDEN conjectures that ignorance was the cause which so long prevented our monarchs from coining gold, but RUDING (3d edit. i, 217) says that "the true reason seems to be, that coins of gold were not wanted, when the price of the necessary articles of life was com-

pletely within the reach of money of an inferior metal. And in confirmation of this it may be observed, that the gold money which was struck in the early part of this reign (EDWARD III's) is nearly as fresh as it was on its first issuing from the mint; from whence we may reasonably infer that its circulation was extremely limited."

Edward III. 1329-1377.

II.—The Gold Noble. Issued after the year 1369.

THE NOBLE—Weight, 120 grains, current for 6*s.* 8*d.*; the half noble, 60 grains, 3*s.* 4*d.*; the quarter noble, 30 grains, 1*s.* 8*d.*

NOBLE.—*First Period*, 1347–1360. *Obv.*, similar in design to the 2d issue noble. EDWARD. DEI GRA. REX ANGL. Z. FRANC. D. HYB. or HIB. *Rev.*, also similar to 2d issue, but E for Edward in the centre of the cross. IHC. or IHS. AVTEM TRANSIENS P. MEDIVM ILLORV. IBAT. Some have a C instead of the first S in TRANSIENS and IBA for IBAT., others PER instead of P. *Second Period*, 1360–1369. *Obv.*, the same type, but sometimes with a flag bearing St. GEORGE's cross in the stern of the ship. EDWARD. DEI GRA. REX ANGL. DNS. HYB. Z. AQT., or AQVIT, or EDWARD. DEI GRA. REX ANGL. DNS. HYBN. Z. ACQ., or DNS. HYB. Z. AQ. *Rev.*, similar to that of the 1st period. IHC AVTEM TRANSIENS (or TRANCIENS) PER MEDIV. ILLORUM IBAT. The piece with ACQ. on the obverse reads IHC. AVTEM PER MEDIVM ILLORVM IBAT. A noble of this period has the letter C in place of the E in the centre of the reverse, denoting that it was coined at Calais.

Rarity.—All common, with the exception of a few peculiar pieces. Nearly 200 were found in the bed of the Thames, opposite the House of Lords, in 1841, and many others have been found since. The noble of this issue is known from those of the 2d and 3d issues by having AVTEM in the legend of the reverse, which the latter have not.

Mr. CUFF, in vol. v of the *Numismatic Chronicle*, divides the coins of this issue into three periods: 1st, those struck after his 20th year, and before the treaty of BRETIGNY (between 1347 and 1360), which have the title of King of FRANCE without that of Aquitaine; 2d, such as were coined during the term of that treaty, between 1360 and

1369, which are without the title of King of FRANCE, and bear that of Lord of Aquitaine; and 3d, those coined subsequent to 1369, having both titles upon them. We think that we can do no better than follow the arrangement of this eminent collector, and proceed to describe the coins.

Henry VI. 1422-1461.

III.—Gold Angel of Henry VI.

ANGEL.—*Obv.*, similar to that of EDWARD IV, but one has a cross in the glory round the archangel's head. HENRIC. DI. GRA. REX ANGL. Z. FRANC. *Rev.*, also similar to EDWARD IV's but H on the left side of the mast, and a fleur-de-lis or rose on the right. PER CRVSE. TVA. SALVA NOS XPE. REDE'TOR; or IHC. AVTE. TRANSIENS PER MEDIV. ILORV.

ANGELET.—*Obv.*, as the angel. HENRIC. DEI GRA. REX ANGL. Z. FR. *Rev.*, also similar; H and a fleur-de-lis at the sides of the cross. O CRVX AVE SPES VNICA.

Weight of the Angel, 80 grs.; *Current for* 6*s*. 8*d*.

" " Angelet, 40 grs.; " 3*s*. 4*d*.

Fineness —Same as the 1st issue of EDWARD III.

Rarity.—The angel is rare, but the angelet is very rare. A fine specimen of a Bristol angel sold at Capt. MURCHISON'S sale, 1864, for £10. At the same sale an angelet went for £30 10*s*.

Henry VII. 1485-1509.

IV.—Gold Sovereign of Henry VII.

No. 1.—*Obv.*, the king sitting on his throne, in royal robes, crowned, with the sceptre in his right hand, and the orb in his left. Plain background. HENRIC. DI. GRA. REX ANGL. FRANC. Z. DNS. IBARNC. *Rev.*, a double rose, nearly covered with a large shield of arms, crowned. IHS. AVTE. TRANCIES. PER MEDIV. ILLORV. IBAT.

No. 2. *Obv.*, like No. 1, but with a different throne, and the background diapered, with fleurs-de-lis. HENRICVS DI. GRACIA REX ANGLIE ET FRANC. DNS. IBAR. *Rev.*, a large double rose within a tressure of ten arches with trefoils in the outer angles. Between the rose and the tressure, lions and fleurs-de-lis alternately. Over the centre of the rose a plain shield with the arms. IHS. AVTEM TRANSCIENS PER MEDIVM ILLORVM IBAT. HE (perhaps for HENRICVS).

Rarity.—All very rare. A specimen of the sovereign, type 1, sold at Mr. FORSTER's sale, May, 1868, for £30 10*s.* A No. 3 sovereign sold also at the same sale for £27, and a fine specimen of it sold for £27 10*s.* at Captain MURCHISON's sale, in June, 1864. Another very fine specimen of type 3 sold for £39 at Mr. GOTT's sale in July, 1866. A fine No. 4 sovereign also sold at Capt. MURCHISON's sale for £30; but another specimen went for £15 at Mr. GOTT's sale.

The shape of the king's crown was altered in this reign, it now having one or more arches instead of being open and without any. The dragon on some of the coins was the ensign of CADWALLADER, the last king of the Britons, from whom, by a male line, HENRY VII was said to derive his pedigree. This red dragon, painted upon white and green silk in his standard at Bosworth, was afterwards offered up—among other trophies of his victory—at St. PAUL's church, and commemorated by the institution of a pursuivant-at-arms, by the name of ROUGE DRAGON, an office which exists to this day.

The double rose was the white rose united with the red, in respect of the union of the two houses of York and Lancaster, in the persons of HENRY VII and his queen, ELIZABETH of York.

Henry VIII. 1509-1547.

V.—George Noble. Gold. Henry VIII.

GEORGE NOBLE.—*Obv.*, St. GEORGE in armor, on horseback, spearing the dragon. TALI. DICATT. SIGo. MES. FLVCTVARI NEQT. *Rev.*, a ship with a cross for a mast, as on the angels, but a

rose in place of the shield, and H. R. (HENRICUS Rex), at the sides of the mast. HENRIC. D. G. R. AGL. Z. FRANC. DNS. HIBER.

ANGEL.—*Obv.* similar to the angel of HENRY VII. HENRIC. VIII. DI. GRA. REX AGL. Z. FRA. *Rev.*, also like HENRY VII's, but H and a rose, or H only, at the sides of the mast. PER CRVCE. TVA. SALVA NOS XPE. REDE, or REDET.

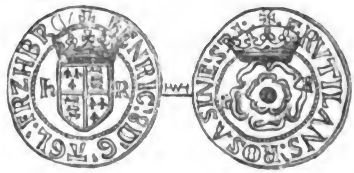
ANGELET.—*Obv.*, similar to the angel. HENRIC. VIII. DI. GRA. REX AN. *Rev.*, also like it. O CRVX AVE SPES VNICA.

Weight of the Double Sovereign, 480 grs., current for £2 5s. Weight of Sovereign, 240 grs., £1 2*s.* 6*d.* Weight of Rose Noble, 120 grs., 11*s.* 3*d.* Weight of GEORGE Noble, 71$\frac{1}{8}$ grs., 6*s.* 8*d.* Weight of Angel, 80 grs., 7*s.* 6*d.* Weight of Angelet, 40 grs., 3*s.* 9*d.*

Fineness.—Same as the 1st issue of Edward III.

Rarity.—The Double Sovereign and Rose Noble are extremely rare, and the Sovereign and GEORGE Noble are very rare, but the others are common. An extremely fine Sovereign sold for £14 at Captain MURCHISON's sale in June, 1864. A specimen of the same coin sold for £15 at Mr. GOTT's sale in July, 1866. Another specimen, very fine, from the THOMAS collection, sold for £5 10*s.* at Mr. DUNCOMBE's sale on 21st June, 1869. A GEORGE Noble sold at Captain MURCHISON's sale for £8, but another specimen fetched £17 17*s.* at Mr. FORSTER's sale, May, 1868.

Henry VIII. 1509-1547.



VI.—Half-Crown. Gold. Henry VIII.

CROWN.—*Obv.*, a double rose crowned, between the letters H. R. (HENRICUS Rex), also crowned. HENRIC. 8. ROSA SINE SPINE. *Rev.*, shield of arms (see page 35), crowned, between the same letters, H. R., also crowned. D. G. ANGLIE FRA. Z. HIB. REX.

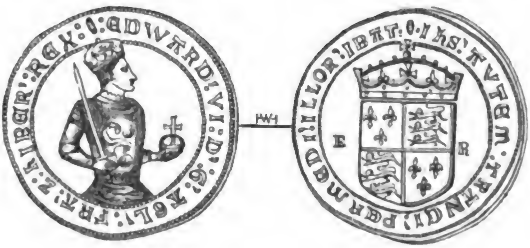
HALF-CROWN.—*Obv.*, similar to the reverse of the crown, but the letters H. R. are not crowned. HENRIC. 8. D. G. ANG. FR. Z. HIB. REX, or HENRIC 8. D. G. AGL. FR. Z. HB. R. *Rev.*, also like the obverse of the crown, with the same exception. RVTILANS ROSA SINE SPINA, or SPI.

Weight of the		Sovereign, 192 grs..	*Current for*	20*s.* or £1.
"	"	½ sovereign, 96 grs.,	"	10*s.*
"	"	¼ sovereign, 48 grs.,	"	5*s.*
"	"	⅛ sovereign, 24 grs,	"	2*s.* 6*d.*

Fineness.—The standard of this king's 36th year was 22 carats fine gold to 2 carats alloy, but in his 37th year it was reduced to only 20 carats fine to 4 of alloy.

Rarity.—All rare. At Capt. MURCHISON'S sale, June, 1864, a sovereign of the 37th year sold for £11 15*s.* A half-sovereign of the 36th year, presumed to be the finest known, sold for £25 at Mr. FORSTER'S sale, May, 1868, but a very fine specimen of the same coin, from the THOMAS collection, brought only £3 at Mr. DUNCOMBE'S sale, on June 21st, 1869.

Edward VI. 1547-1553.



VII.—Half-Sovereign. Gold. Edward VI.

SOVEREIGN.—*Obv.*, half-length figure of the king in profile to the right, in armor, crowned, with a sword in his right hand, and the orb in his left. EDWARD. VI. D. G. AGL. FRA. Z. HIBER. REX. *Rev.*, the royal arms (page 41), crowned, and supported by the lion and dragon, with E. R. below. IHS. AVTE. TRANCI. PER MEDIV. ILLOR. IBAT.

HALF-SOVEREIGN.—*Obv.*, similar to the sovereign in all respects. *Rev.*, a plain shield of arms crowned, between the letters E. R. IHS. AVTEM TRANCI. PER MEDI. ILLOR. IBAT.

CROWN.—*Obv.*, similar to the sovereign. EDWARD. VI. D. G. AGL. FRA. Z. HIB. REX. *Rev.*, similar in type to the half-sovereign. SCVTVM FIDEI PROTEGET EVM.

HALF-CROWN.—*Obv*, similar to the sovereign. EDWARD. VI. D. G. A. FR. Z. HIB. REX. *Rev.*, similar to the half-sovereign. SCVTVM FIDEI PROTEG. EVM.

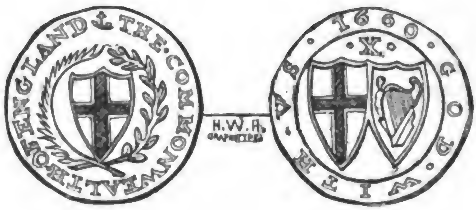
Weight of the	Sovereign, 178	8-11 grs.,	*Current for*	20*s.* or £1.
" "	½ sovereign, 89	4-11 grs.,	"	10*s.*
" "	¼ sovereign, 44	15-22 grs.,	"	5*s.*
" "	⅛ sovereign, 22	15-44 grs.,	"	2*s.* 6*d.*

Fineness.—22 carats fine gold to 2 carats alloy.

Rarity.—The sovereign and half-sovereign are rare, the other two very rare. A fine specimen of the sovereign sold for £4 2*s.* at Mr. DUNCOMBE'S sale on 21st June, 1869. A fine specimen of the half-crown brought £12 5*s.* An extremely fine sovereign sold for £12 at

Mr. GOTT's sale, in July, 1866. A fine sovereign of his 6th year sold for £5 10*s*. at the sale of HENRY BOOR, Esq., of Stamford, May, 1865.

The Commonwealth. 1649-1660.



VIII.--Ten Shillings. Gold. Cromwell.

The gold coins of this reign were, the twenty shilling piece, the ten shilling piece, five shilling piece.

TWENTY SHILLINGS.—*Obv*., a plain shield bearing St. GEORGE's cross, surrounded by a palm branch and a laurel branch. THE COMMONWEALTH OF ENGLAND. *Rev*., two shields conjoined; one bearing St. GEORGE's cross, the other the Irish harp. The numerals XX. for 20s., the value, above. GOD WITH VS, and date.

TEN SHILLINGS.—Exactly similar to the 20*s*. piece, but X. for 10*s*. above the shields on the reverse.

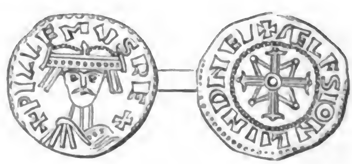
FIVE SHILLINGS.—Also exactly similar, but V. over the shields on the reverse.

Weight of the 20*s*. piece, 140 20-41 grs., *Current for* 20*s*. or £1.
" " 10*s*. piece, 70 10-41 grs., " 10*s*.
" " 5*s*. piece, 35 5-41 grs., " 5*s*.

Fineness.—22 carats fine gold to 2 carats alloy, or 11 parts fine to 1 part alloy.

Rarity.—Not common, especially the smaller pieces. A very fine set of the three pieces, all of the date 1650, from the THOMAS collection, sold for £4 6*s*., at Mr. DUNCOMBE's sale, June, 1869.

William I. 1066-1087. William II. 1087-1100.

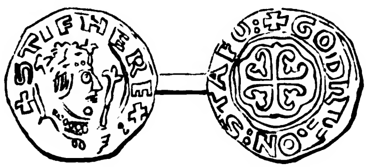


IX.—The Silver Penny of William I. Bonnet Type.

The coins of these kings consist solely of silver pennies, and those of the Conqueror cannot be distinguished with any certainty from the

pennies of RUFUS. However, those generally assigned to the former king have, *obv.*, a profile crowned bust to the left or to the right, sometimes with and sometimes without a sceptre; or a full face crowned, in one instance with tassels (called the "Bonnet" type. In another with a canopy over the head ("Canopy" type), and in a third with a sceptre on each side of the bust. PILLEMVS REX, or PILLEMV. REX, or PILLEM. REX ANGLO. *Rev.*, an ornamented cross, variously shaped, and the name of the moneyer and of the town where it was minted.

Stephen. 1135-1154.



X.—The Silver Penny of Stephen.

Weight.—21 to 22½ grains.

Fineness.—11 oz. 2 dwts. fine silver to 18 dwts. alloy.

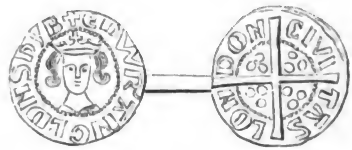
STEPHEN'S coins consist solely of pennies, and all are very rare. They bear, *obv.*, full face bust crowned, but oftenest a profile to the right; with a sceptre, flag, or horseman's mace in the right hand. STEF, STEFNE, STEIFNE, STEFN, STIEFNEI, STIEN, STIFN, STIFNE, with sometimes R. or RE. On one coin STEFANVS R. *Rev.*, cross, with fleurs-de-lis, mullets, &c., in the angles, and the mint names. A remarkable type coined at Derby, bears, *obv.*, profile to right with sceptre. STEPHANVS REX. *Rev.*, cross voided, with a martlet in each angle. W . . . . INVS DERBI.

During this reign influential persons assumed the privilege of coining money. Their coins will be found described by the author. A large quantity of light and debased money was issued by King STEPHEN and his barons, which is for the most part illegible. The only base pennies of the barons which have been deciphered are assigned to the Earl of WARWICK. They are described below.

Rarity.—Very rare; the type of which we give an illustration is the commonest.

STEPHEN AND MATILDA.—There is a very curious coin of this reign in existence. It bears, *obv.*, two figures standing shaking hands, with a sceptre between them. These figures were generally supposed to represent STEPHEN and HENRY, but Mr. HAWKINS, in his work on *English Silver Coins*, proposes that they might stand for STEPHEN and MATILDA. *Rev.*, cross, and numbers of small ornaments, as roses, &c. This coin sold for ten guineas at TYSSEN'S sale in 1802, and at DIMSDALE'S in 1824, for £13 2*s.* 6*d.* Another sold at BENTHAM'S sale, in 1838, for £16.

Edward I. 1272-1307.



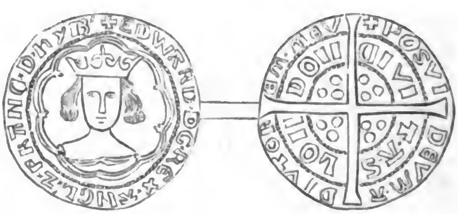
XI.—Silver Penny of Edward I.

PENNY.—*Obv.*, full face bust, crowned, with the shoulders clothed. EDW. R. ANGL. DNS. HYB., or rarely EDW. REX ANGL. DNS. HYB. In one instance, EDW. ANGL. REX DNS. HYB. *Rev.*, a long cross, three pellets in each angle, and the name of the city or town it was coined at, as CIVITAS LONDON, CIVITAS EBORACI, VILLA BRISTOLIE, etc. In one instance the name of the moneyer only, ROBERT DE HADLEY, appears. On some pennies of London and Canterbury the Irish obverse of the king's head in a triangle occurs.

On some coins of Berwick, in reference to the armorial bearings and name of the place, a bear's head appears in one, or sometimes two, quarters of the reverse. A penny of Durham has a cross moline, the arms of Bishop BECK, in one quarter, instead of the pellets. Another of Reading has a scallop, the arms of the Abbey, in the same place.

Weight of the penny, 22½ grs.; half-penny, 11¼ grs.; farthing, 5⅝ grs. In his 28th year reduced to—penny, 22¼ grs.; half-penny, 11⅛ grs.; farthing, 5½ grs.

Edward III. 1327 to 1377.



XII.—The Groat. Silver.

The silver coins of the reign of EDWARD III (1327 to 1377) were the groat; half groat; penny; half-penny; farthing.

Groat.—Obv., bust full face, crowned, shoulders bare, within a tressure of nine arches, EDWARD. D. G. REX ANGL. Z. FRANC. D. HY. or HYB., One reads EDWAR., another has HIBE. A singular specimen has DEI G. REX ANGL. DNS HYB. Z. AQT. *Rev.*, a long cross and pellets; with the legend in two circles; in the inner the town name CIVITAS LONDON or EBORACI, and in the outer one the motto POSVI DEVM ADIVTOREM MEV. or MEVM.

Henry V. 1413-1422. Henry VI. 1422-1461.

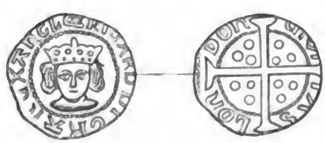
XIII.—Calais Annulet Groat. Silver.

GROATS. LONDON.—*Obv.*, bust full face crowned, within a tressure of nine arches. HENRIC. DI. GRA. REX ANGLIE (or ANGL.) Z. FRANC. *Rev.*, cross with three pellets in each angle. An annulet between the pellets in two quarters, and after POSVI. Legend in two circles; CIVITAS LONDON. POSVI DEVM ADIVTORE. MEVM. *m. m.* on both sides, a cross or cross pierced. Small crosses (saltire) between the words. Not common. (Assigned to HENRY V by Mr. NECK, in vol. viii of the *Numismatic Chronicle.*)

YORK.—To this type belongs the following York groat. It is extremely rare, and is assigned to HENRY VI both by Mr. HAWKINS and Mr. LONGSTAFFE. The Rev. A. POWNALL and Mr. NECK, however, question this. It bears, *obv.*, bust as before, but a fleur-de-lis on each side of the neck. HENRIC. DI. GRA. REX ANGLIE Z. FRANC. *Rev.*, cross and pellets, with an annulet between the latter in two of the quarters. An annulet also after POSVI and EBORACI. Legends: CIVITAS EBORACI. POSVI DEVM ADIVTORE. MEVM. *m. m.* cross pierced. Small crosses (saltire) between the words.

CALAIS.—Exactly similar to the London groat, but, *obv.*, an annulet on each side of the neck of the bust, and *rev.*, inner circle legend VILLA CALISIE. Common.

Richard III. 1483-1485.



XIV.—Penny. Silver. Richard III.

The silver coins of this reign were the groat, half-groat, penny, and half-penny.

PENNY.—*Obv.*, bust full face crowned, but no tressure. RICARD. DI. GRA. REX AN., ANG., or ANGL. *Rev.*, cross and pellets, and town name in a single circle. The Durham ones have S on the king's

breast (for Bishop SHERWOOD), and a fleur-de-lis for the *m. m.;* D in the centre of the reverse. The York pennies have a boar's head, a rose, or the sun and rose united, for *m. m.* One has T at right and a key at the left side of the neck of the bust, to indicate THOMAS ROTHERHAM, archbishop from 1480 to 1500. Another, in the British Museum, has T on the right, and a trefoil on the left of the neck. Quatrefoil in the centre of the reverse on all the York pennies.

HALF-PENNY.—*Obv.*, bust, etc., as on the penny. RICARD. DI. GRA. REX. *Rev.*, cross and pellets, and CIVITAS LONDON. *m. m.* boar's head, or the rose and sun united.

Weight of the groat, 48 grs.; half-groat, 24 grs.; penny, 12 grs.; half-penny, 6 grs. *Fineness.*—Same as William I's.

Rarity.—All very rare, the half-pennies extremely rare. Mr. DIMSDALE's half-groat sold for £13 5*s.*, and Mr. LEYBOURNE's, 1838, for £12 18*s.* Captain MURCHISON's sold for £13 10*s.* in June, 1864. Mr. DIMSDALE's half-penny fetched £5 7*s.* 6*d.* At the sale of the Rev. HENRY CHRISTMAS, February, 1864, a London half-penny, *m. m.* a rose, brought £3 16*s.*

Henry VII. 1485-1509.

XV.—Testoon, or Shilling. Silver. Henry VII. 1504.

The silver coins in use in this reign were the shilling; groat; half-groat and penny.

SHILLING.—*Obv.*, profile bust to the right, wearing an arched crown.* HENRIC. or HENRICVS DI. GRA. REX ANGLIE Z. FR. or FRANC. Another variety has HENRIC. VII. DI. GRA. REX ANGL. Z. FR. Another has SEPTIM in place of VII. *Rev.*, royal shield of arms, bearing quarterly the arms of FRANCE and ENGLAND (page 24). Over all a cross having forked ends with a trefoil or lis between the forks. Legend in a single circle: POSVI DEV. (or DEVM) ADIVTORE. MEV. (or MEVM).

GROAT.—Similar to the shilling, with the same different inscriptions on the obverse.

HALF-GROAT.—Also similar to the shilling, but none with HENRIC. SEPTIM. &c. Those struck at York have two keys beneath the shield, as also do the pennies struck there.

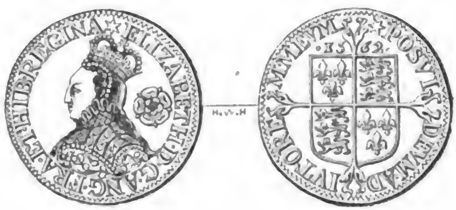
* This is the first instance of a true portrait on an English silver coin.

PENNY.—*Obv.*, the king seated on his throne, crowned, holding a sceptre and orb. HENRIC. DI. GRA. REX AN. or ANG. *Rev.*, arms (see page 48), surmounted by a cross. Legend: town name. The Durham pennies have the initials of the bishops at the sides of the shield. Pennies of this issue much resemble those struck by HENRY VIII, and Mr. HAWKINS gives the following rule to distinguish them:—"Upon those pennies of Durham, which, by the initials of cotemporary bishops are limited to the time of HENRY VII, the backs of the chair are expressed by one thick line, surmounted by an ornament, not reaching to the inner circle of the coin. Upon those pennies which in the same manner are limited to the time of HENRY VIII, these lines are double and reach up to the inner circle; they are also perhaps rather more neatly executed."

Weight of the shilling, 144 grs.; groat, 48 grs.; half-groat, 24 grs.; penny, 12 grs. *Fineness.*—Same as William I's.

Rarity.—The shilling is extremely rare. Mr. DIMSDALE'S, in 1824, sold for £8 8*s.* Mr. FORSTER'S, May, 1868, for £7 10*s.* Captain MURCHISON'S brought £10 in June, 1864. The others are common.

Queen Elizabeth. 1558-1603.



XVI.—Silver Milled Six-pence. Elizabeth.

SHILLING.—*Obv.*, crowned bust of the queen to the left, without the sceptre and orb. ELIZABETH. D. G. ANG. FRA. (or FRAN.) Z. (or ET) HIB. REGINA. *Rev.*, arms (page 69) in a plain shield, surmounted by a cross fleuree. POSVI DEVM ADIVTOREM MEVM. These shillings differ from the hammered ones in being without an inner circle and of more neat workmanship. Some milled shillings are also broader than others.

SIX-PENCE.—The most common kind differs from the shilling only in having the date over the shield on the reverse, and a rose behind the head on the obverse. Others have—besides these variations—a very broad plain cross, or a cross with the ends patee, instead of the cross fleuree on the reverse. The size of the bust and the ornamentations of the dress also differ a good deal. Some pieces are larger in size than the others.

Weight of the shilling, 96 grs.; six-pence, 48 grs.; groat, 32 grs.; three-pence, 24 grs.; half-groat, 16 grs.; three-halfpence, 12 grs.; penny, 8 grs.; three-farthings, 6 grs.; half-penny, 4 grs.

In her 43d year, 1601, the weights were slightly reduced as follows:

weight of the shilling, 92¾ grs.; six-pence, 46¼ grs.; groat, 31 grs.; three-pence, 22¼ grs.; two-pence, 15½ grs.; penny, 7½ grs.; half-penny, 3¾ grs.

The following is Mr. HENFREY's explanation of numismatic terms and abbreviations:

The *obverse* of a coin is that side on which the portrait, bust, or name of the king is placed, and in the following pages is denoted by "*Obv.*"

The *reverse* of a coin is of course the reverse or other side, the back of a coin, denoted by "*Rev.*"

The *field* is the open space in the centre of a coin where no figure is placed.

The *exergue* of a coin is that part which is divided from the field by a line, upon which the figures of the reverse stand.

The weights of the coins are given throughout in Troy grains, marked "*grs.*"

"*m. m.*" stands for mint mark.

The Various Methods of Coinage.

From the earliest times to the reign of Queen ELIZABETH, the coins of this kingdom were struck by what is called the *hammered* process. It may be thus described: a piece of metal of the proper size and weight was placed on the lower die, which was fixed firmly in a wooden block, while the upper one being held in the hand as a puncheon, repeated blows were given with a large hammer, until the requisite impression was at length worked up.

"The method of coining by the *mill and screw* was not admitted into our Mint before the year 1561, when it was used, together with the old method of coining with the hammer, until the latter was wholly laid aside in the 14th year of CHARLES II, 1662.

"From that time only very trivial improvements had been made, until the powerful machinery invented by BOULTON and WATT was applied to the purposes of coining, and was introduced into the Royal Mint previous to the great re-coinage in the year 1816.

"The machinery for coining with the mill and screw was very simple, and consisted of a screw to which the upper die was connected; this was worked by a fly, which forced that die which was attached to it with considerable effect upon the other die which was firmly fixed below.

"The advantages of this machine over the old mode of striking with a hammer, consisted chiefly in the increase of force, which was so great as to raise the impression at one blow, by which a great waste of time and labor was prevented. Its radical defect was, that it was put in

motion by the exertion of human strength; and as this would frequently vary in its application, there could be no certainty of uniformity of appearance in the coins.

"This defect is now completely obviated by the use of the steam engine, which, being at all times of an equal force, produces that uniformity of appearance which is so obvious in the coins struck at our Mint since it has been introduced there."*

We copy the following description of the old machine from a London Guide of 1767:

"The manner of stamping is all you are permitted to see, which is very quickly performed by means of an engine, worked sometimes by three, and sometimes by four men. The manner of stamping gold and half-pence is the same; but they are more careful to prevent waste with one than the other. The engine works by a spindle, like that of a printing press, to the point of which the head of the die is fixed with a screw; and in a little sort of a cup, which receives it, is placed the reverse; between these the piece of metal, already cut round to the size, and, if gold, exactly weighed, is placed; and by once pulling down the spindle by a jerk, is completely stamped. It is amazing to see how dexterously the coiner performs his part; for as fast as the men that work the engine turn the spindle, so fast doth he supply it with metal; putting in the unstamped piece with his forefinger and thumb, and twitching out the stamped with his middle finger. The silver and gold thus stamped, is afterwards milled round the edges; the manner of performing which is a secret never shown to anybody."

We will conclude this portion of our work by quoting HAWKINS on Mint Marks:

"In former times it was customary to grant to various individuals, in different parts of the country, the privilege of coining and issuing money in the name of the reigning sovereign. The pieces so issued were to be of a prescribed type, size, weight and standard, that there might be one uniform appearance in the coins circulating in the kingdom. It is probable that in many instances the dies were actually made in London and transmitted to the various mints where they were to be used. To prevent fraud, it was necessary that the coins issued from every mint should be tested, and for this purpose the Trial of the Pix at Westminster was established, whereby pieces taken at random from the whole mass coined at each mint were melted and assayed, and if found to be of the prescribed weight and fineness, the moneyers, masters, and workers of the mint received their quietus, and were freed from all charges which might thereafter be brought against them, grounded upon any imputed failure in the execution of the contract under which their privilege had been granted to them. It was probably in order that each moneyer's coins might be separated at these trials of the Pix, and that each might be responsible only for his own works, that the names of the moneyers, or of the mint, or both, were stamped upon the coin and formed a part of the type.

* *Marshall's View of the Silver Coin and Coinage of Great Britain from* 1662 *to* 1837. Pp. vii and viii.

"As these trials of the Pix were occasional, and took place at irregular periods, sometimes very frequently and sometimes very rarely, it became necessary that there should be upon the pieces, coined at different times and perhaps under different contracts, some distinctive mark, 'that so the moneys from which the contractors were not discharged might be distinguished from those for which they had already received their quietus.' These marks are usually called privy, or mint marks; a fresh one was adopted after every trial of the Pix; and each new mark was continued upon the coins of each mint until a fresh trial of the Pix took place."*

It was not until the reigns of the first EDWARDS that the regular mint marks began to be generally adopted, as the custom of placing the moneyers' names on the coins previous to EDWARD I rendered them less necessary. Mint marks were very numerous in the 14th, 15th, 16th, and early part of the 17th centuries, and were not entirely disused until the introduction of the mill in 1662. These marks are generally placed at the beginning of the legend, and not unfrequently on both sides of the coin. The last trial of the Pix which noticed the privy marks, was held upon the 9th of July, 1653.

SILVER.—In respect to the demonetizing of silver, the *Economiste Francais* contains an article, written by PAUL LEROY BEAULIEU, which claims more than ordinary attention at this time, and is of special interest to our silver-producing sections. We give the following extract: When the substitution of a gold for a silver currency in GERMANY is completed, there will remain, after due provision is made for subsidiary coins, a total of £48,000,000 worth of silver, the whole of which will be thrown upon the market. But this is not all. DENMARK, SWEDEN, and HOLLAND have decided to adopt a gold standard, and the same course will probably be followed by BELGIUM. In these countries the quantity of silver to be disposed of in consequence of the demonetizing of that metal will be not less than £24,000,000. Thus we have a total of £72,000,000 of silver, which, before very long, will be thrown on the market. The effect of this increase in the supply can not fail to have great influence in the direction of a further fall in the price of silver. Moreover, the ancient and characteristic predilection of the Oriental countries for silver—of which they have hitherto taken great quantities from EUROPE—is growing weaker, and hence the most intelligent of them, the Japanese, have adopted a gold currency. We cannot then reckon upon the great Eastern nations absorbing the enormous quantity of silver which is about to be thrown out of circulation in EUROPE. So far, therefore, it seems likely that the depreciation of silver must go on indefinitely. But there is one, and only one, possibility of its being prevented. The Congress of the UNITED STATES may carry out the proposal of General GRANT to place the currency of the STATES upon a silver basis. In that case, no doubt, the prospect will be very much altered, to the great relief of the European money markets, for, instead of having to send gold, which we greatly need, to AMERICA, we shall send silver, which we don't want, and of which there is the prospect of now having a great deal too much.

* *Hawkins' Silver Coins of England*, p. 261.

OLD COLONIAL CURRENCIES OF AMERICA.

By S. E Dawson, of Montreal.

However true it may be that the history of European nations is merely the biography of a few great men, such an assertion cannot be made concerning the history of America. Hence the history of the New World, though it may lack the strong personal interest which attaches to the record of great kings, statesmen, or generals, has the surpassing interest of being the record of experiments, political, social and religious, of some of the most highly gifted races of Europe, made under conditions of singular freedom, both from the straitened forms of old world society, and from the dominating individuality of great men. Social experiments in America have succeeded or failed in consequence of their inherent virtues or defects, and have not been strained by outward pressure beyond their natural limits. Our present purpose is to chronicle some of the experiments which have been made in the New World in the important department of finance. We do not hope to establish any theory of money, or elicit any new principle. Experiments are still being made, and, doubtless, the true theory will in time appear.

In America, within a comparatively short period, every conceivable form of currency has been tried. The accounts of the New Netherlands (now New York State) were, in 1662, kept in wampum and beaver skins. That currency does not appear to have been more stable than others; for, in that year, complaints were made of its increasing depreciation, and the Chamber of Commerce at Amsterdam credited all its colonial officials with twenty-five per cent. additional salary in beaver skins to cover their loss, a precedent too seldom followed in later and more progressive times

During the earliest period of the history of the English colonies whatever exchanges were not made by barter were made in a specie currency, consisting mainly of French and Spanish coins. These, being much worn and depreciated by constant clipping, were often weighed out in primitive style, and settlements were made, and salaries fixed, in ounces of silver plate. Curious complaints were made to the Home authorities, and recriminations were frequent between the colonies regarding the clipping and defacing of coins. The dollar, or piece of eight reals, passed at a different rate in each colony, and the colonial legislatures all fancied that the best way of attracting money was to raise its nominal value. Competing traders, even in the same colony, vied with each other in giving the highest nominal value to the dollar. Pennsylvania endeavored to draw money from New York by calling the legal value of a dollar 7*s*. 6*d*. New York had previously made the same attempt on Massachusetts by fixing upon 6*s*. 9*d*., and New Jersey got the better of both, in the current opinion of that day, by allowing 7*s*. 8*d*. for the same coin. These rates varied

by colonial enactment from time to time, and Governor HUNTER, of NEW JERSEY, writing to the Board of Trade at London, "doubts if it be in the power of men or angels to beat out of the heads of the people of this continent a silly notion that they gain by the augmentation of the value of pieces of plate" (*i. e.*, dollars). This notion is held to the present day in PRINCE EDWARD ISLAND, where it is still supposed that money stays upon the island because the nominal value of the shilling sterling is 1*s.* 6*d.* currency.* The Boston people of those days were not, however, so easily beaten, although they kept the value of the dollar below the rate in the other colonies. One of the Governors of NEW YORK makes earnest appeal to London against them, "because, having the main foreign trade, they bring goods to New York, which they will sell only for good heavy money, which they carry away and clip, and then send back this light money to New York for bread-stuffs, which they ship to the WEST INDIES and undersell the New Yorkers there in their own productions. The indignant Governor calls loudly for the interference of the mother country to check those singular financial operations of the lively Bostonians. Throughout all the correspondence between the colonial governors and the mother country, the necessity of one general standard of value was continually urged, and the efforts of the Home Government and their officers to that end were as continually and pertinaciously thwarted by the colonists in their various assemblies.

Still at that time, the currency, such as it was, was of gold and silver. SCHUYLER and DILLON, who made an expedition into CANADA in 1698, report with apparent surprise that there the currency consisted of paper only, but the power of a paper currency was shortly after discovered by the English colonists, and MASSACHUSETTS, as usual, took the lead. Although the need of it was not so much felt in the town of Boston, which had a large foreign trade, the people elsewhere were often in great straits for the want of some medium of exchange. The colonists could live in a rough sort of abundance—they had no need for food or shelter; but the pressing wants of existence being easily satisfied there soon arose a demand for manufactured goods—the luxuries of the old world. Moreover, the settlers were continually extending their boundaries—and subduing new land, and their capital was thus being fixed as fast as acquired, consequently they were always heavily in debt to the mother country, the exportable money was incessantly swept away to ENGLAND by the adverse balance of trade, and large communities were frequently reduced to barter, for want of a common measure of value.

The navigation laws, so far as they were observed, tended greatly to increase this inconvenience by compelling, or seeking to compel the colonies to trade with ENGLAND alone, and thus aiming to centre in ENGLAND all the profits of both sides of the American trade. The staples of AMERICA, such as tobacco, indigo, and (from the WEST INDIES) sugar, could be exported to no other European port but ENGLAND; they might be sent to other British Colonies, but only on payment of an export duty. The colonists could legally import manu-

*** Since the above was written, the currency of Prince Edward Island has been assimilated to that of the Dominion of CANADA, of which it now forms a part.**

factured goods from ENGLAND alone, thus paying the price demanded by the English merchant, while their own exports could not bring in the often glutted English markets their fair value in the markets of the world. No wonder, then, that the available money always gravitated towards ENGLAND, and, if it had been possible to have enforced these laws strictly, the Americans could never have had any money with which to eke out their remittances in produce.

These laws were, however, in practice, almost wholly disregarded. There grew up between the commercial colonies and the foreign WEST INDIES and Spanish Main a large and lucrative traffic. The Boston merchants pushed their ventures everywhere, and the surplus produce of the colonies—the lumber, fish, and grain, found a near and ready market in the Spanish colonies of the Gulf of MEXICO. There they were exchanged for specie—the gold and the silver, which were staple exports of MEXICO—and hence the coins of SPAIN, the doubloon, and especially the dollar, became the standard coins used in American trade, although the nominal currency was calculated in pounds, shillings and pence. With the money so obtained remittances were made to ENGLAND; for the Spaniards had little the colonists stood in need of. The English trade was thus fed by a systematic infraction of English law, connived at by everybody, so long as the French power remained unbroken in CANADA. When that fell the latent divergence of interest became apparent, and the attempt of Parliament to stop this illicit trade by enforcing the Navigation Act was the real cause of the American Revolution—the Stamp Act was the pretext.

The specie thus obtained and the heavy tobacco remittances from VIRGINIA could not pay the debts of the colonists and leave sufficient money for domestic use. The colonists were always pushing their settlements westward, and the drain of money to ENGLAND was continual. Moreover the incessant wars with the Canadians and with the Indians often demanded great exertions from the colonial governments. Then the wonderful power of paper money was called into requisition. The various governments (VIRGINIA excepted) issued bills of credit for five shillings and upwards; with these they tided over great emergencies, and, as they became accustomed to them, they paid with these current expenses of Government. It seemed to the colonists that they had discovered a new El Dorado. In some colonies loan offices were opened by Government, and these bills loaned to private parties on land security at interest. In RHODE ISLAND the interest might be paid in hemp, flax, or other produce, so that in appearance the Government derived an ample revenue without imposing a tax. The bills were made a legal tender, and as fast as one set of bills matured, others in increased amount were issued. The Government and the people were mutually accommodated, the currency passed readily from hand to hand, satisfying all the domestic exchanges, and causing for years a great apparent prosperity; but the inevitable result followed. There was no limit to the issue but the moderation of the people who were the issuers. In 1738 one specie dollar in MASSACHUSETTS would buy five, in NORTH CAROLINA fourteen, and

in South Carolina eight paper dollars. Massachusetts, ever in advance, was the first to push these issues to the utmost, and the first to abandon them. The great efforts made by that colony in 1745 in fitting out the expedition which resulted in the capture of Louisbourg, brought the currency and credit of the province to its lowest ebb; and the evils of unrestrained paper issues became so apparent that when England, exulting in the prowess of her daughter colony, refunded the cost of the expedition, the grant was used to place the currency upon a specie basis, which continued until the Revolution. The Government brought up all its outstanding bills by paying one Spanish dollar (six shillings legal par value) for every 45*s.* of the older, or 11*s.* 3*d.* of the more recent issue. This somewhat sharp financial operation was justified by the consideration that, the bills being no longer in possession of the original holders, and being largely depreciated, to pay their nominal value would be to impose a tax upon the people, to which the "people" generally objected.

The other colonies (Virginia excepted) never afterwards obtained a specie currency. Pennsylvania in 1723 issued a small quantity of paper at five years date. In 1729 Benjamin Franklin was one of the most strenuous advocates for a further issue. His pamphlet, *Considerations on the Necessity and Value of a Paper Currency*, largely influenced public opinion, and the printing of the issue which was entrusted to him probably tended to strengthen his convictions. Writing in his later years he confesses, however, that his views had changed, and that paper money might be abused; but the current theory among the people then was, that as gold was representative of value, so paper was a representative of gold, and of value, by a double substitution. So firmly wedded did the people become to paper money that even in Massachusetts, when the Assembly were making efforts to return to a specie basis, riots occurred among the country people, who fancied it was a plot of the rich Boston merchants to sweep up all the money for their English remittances.

Paper money being, as before stated, a legal tender in most of the colonies, strange feats of finance were performed. Instead of remitting to England, payment was often made to a resident agent, who would be compelled to receive the amount in paper at its nominal value. Sometimes the debtor class would get control of the issues, then money would be abundant, and mortgages, contracted in more unpropitious times, would be paid off. Again other interests would get the upper hand, issues would be checked and money would become scarce, then mortgages would be foreclosed and property brought to sheriff's sale, when all who had ready money might buy to advantage. Specie was a premium, varying in each colony with the amount of the paper issue, and differing at different times in the same colony. The injustice became so great that in the year of the Stamp Act, Parliament passed a law forbidding colonial legislatures to make paper a legal tender, a law which caused great bitterness in the Middle Colonies, and which is alluded to among others in the Declaration of Independence, where the king is arraigned for "having refused his assent to laws the most wholesome, just and good."

Putting aside, however, for the present, all considerations of the fluctuations caused by paper money, it must be observed that there was all the while a legal par of exchange, differing in each colony, based on a value of the pound sterling.

Thus in MASSACHUSETTS £1 stg.=£1 6*s.* 8*d.* currency. In NEW YORK £1 stg.=£1 15*s.* 6¾*d.* currency. In PENNSYLVANIA £1 stg. =£1 13*s.* 4*d.* currency. In SOUTH CAROLINA £1 stg.=£1 0*s.* 8 8-9*d.* currency. The sterling pound had four different values in as many West India islands, and a yet different one in NOVA SCOTIA and in NEWFOUNDLAND. The exchange book of colonial days, *Wright's American Negotiator*, was a thick octavo, giving the rates of premium up to one thousand per cent. These old currencies even now linger in the speech of the country people. In MASSACHUSETTS 16⅔ cents is now often called a shilling, for it was the sixth part of a Spanish dollar, which used to pass for six shillings. In NEW YORK a shilling still means 12½ cents, because the Spanish dollar was eight shillings at legal par in colonial days; and in ONTARIO the same usage, inherited from the U. E. loyalists, still prevails.

In all this chaos of currencies it is pleasant to find one fixed value which endured during nearly all the period we have been concerned with, and which, although it has disappeared in outward form, is yet present latently in every exchange calculation made at this present day—we mean the old Spanish dollar. We have already seen how it became the almost universal coin in AMERICA, and during nearly the whole colonial period, namely, up to the year 1772, it contained the same quantity of pure silver.

There were in circulation four kinds of dollars, viz.: "Seville pieces of eight," "Mexican pieces of eight," "Pillar pieces of eight," "Peru pieces of eight." These pieces, of the value of eight reals Spanish "old plate," were all called "dollars," and were all of the same weight—17 dwts. 9 to 12 grains of silver, of a standard fineness of 11 parts pure silver to one of alloy. But the legal par at which they passed differed very much in the colonies. At the time of the Revolution it was 6*s.* in MASSACHUSETTS, 8*s.* in NEW YORK, 7*s.* 6*d.* in PENNSYLVANIA, and 4*s.* 8*d.* in SOUTH CAROLINA. Very early in colonial history the inconvenience of a varying par was felt by many, and the governors especially urged the Home authorities to put a stop to it. Accordingly in 1707, the sixth year of Queen ANNE, an act was passed by the Imperial Parliament, declaring the value at which foreign coins should pass in the colonies. This enactment was based upon careful assays, and fixed the value of the Spanish coins as follows:

Seville	pieces of eight	"old plate,"	.... 4*s.* 6*d.*	Stg.
Mexico	"	"	.... 4*s.* 6*d.*	"
Pillar	"	"	.... 4*s.* 6¾*d.*	"
Peru	"	"	.... 4*s.* 5*d.*	"

It was also enacted that in future the dollar should not be accounted for in any of the colonies above the rate of 6s. currency.

This statute was utterly disregarded in AMERICA, and like most other imperial statutes, became a dead letter. Some attempt was made in NEW YORK by the Governor to enforce it, but the proclamation was withdrawn, because, as the Governor alleged in excuse, "it was injurious to the trade of NEW YORK to cry down the value of the dollar while the neighboring colony of MASSACHUSETTS treated the statute with contempt." The letters of the NEW YORK officials of those days are very plaintive concerning the misdeeds of the Boston people, who seem always to have done as they liked, and to have paid no more attention to an imperial statute which might not meet their approval, than to a papal bull. This statute had, however, the effect of placing an authoritative value in sterling money on the coin most in use in AMERICA.

The value of the Spanish dollar was based not only upon its weight and fineness, but, of course, upon a comparison with the weight and fineness of the British silver coins then in use. The standard remained unchanged for silver in ENGLAND from the time of Queen ELIZABETH to the year 1816. One pound of silver of the fineness of 11 oz. 2 dwt. was coined during all that period into £3 2*s.* 0*d.* stg. There were therefore 5,328 grains of pure silver in 62*s.* stg., and the dollar contained 385 grains pure. The proportionate value of the dollar is then easily seen to have been 4*s.* 5 4-5 precisely, and as, at that time, the standard value of silver was in reality less than its commercial value, 4s. 6d. was fixed upon by the statute. This was practically underrating the dollar, and as fast as they arrived in ENGLAND they were sold as specie and exported.

It thus happened that the par of 4s. 6d. stg. to the dollar became a fixed standard, to which all American values could be referred. And such it has continued during 164 years down to the present day, for this is PAR, or $4.44 to the £ sterling. It is sometimes called old par—it is the par with which all our books of exchange tables commence—the par upon which all our calculations are based, from Montreal to New Orleans. The present legal par in CANADA is a 9½ per cent. premium on that par. The Spanish dollar has changed, the British silver coins have changed, and the currencies of AMERICA have fluctuated, but the par of 1707 remains yet as the one fixed point in the sea of confusion.

We come now to revolutionary times. The extraordinary expedients of the Revolutionary Congress are among the best known incidents of history. The war was fought on the American side with paper money up to the time when the French expedition under ROCHAMBEAU landed, and brought the specie which was as necessary to success as bayonets. It would be tedious to narrate the steps by which the Continental money depreciated to 1000 to 1—until it finally disappeared. The leading spirits of the Revolution saw the necessity of laying a direct war tax, but they could not obtain the consent of Congress. "Do you think," said a member of Congress (quoted by GREENE; *Historical Studies*) "that I will consent to tax

my constituents, when we can send to the printers and get as much money as we want?" The farmer who refused to take this money for his produce was treated as a traitor, and had his property taken from him for his disloyalty, but no enactment could keep it from depreciating. Meantime the presses of the different States teemed with issues of their own during the war, and up to the period of the full consolidation of the Union in 1790. Their paper added to the volume of the currency and to the utter confusion of values.

Immediately after peace was declared the efforts of all thinking men were turned towards consolidating the Union, and for several years the proposed Constitution was discussed in every town and hamlet. But even then the lurking attachment to paper money was evident. Some of the States were unwilling to resign the right of issue, and it was not until 1790 that RHODE ISLAND joined the Union, and its citizens finally relinquished their cherished habit of paying their debts in paper. The State Governments were forbidden by the new Constitution to make anything but gold and silver a legal tender, or to issue bills of credit. Inconvertible paper money from that period disappeared in AMERICA, until the Federal Government, exercising a power not apparent in the Constitution, repeated in our own times the experiment with happier results.

So soon as the new Constitution began to work, it was, of course, necessary to provide a revenue, and to fix values. The first Congress in 1789 passed an act imposing custom duties. By this act the pound sterling was valued at $4.44, or 4*s.* 6*d.* sterling to the dollar. Thus the old par of Queen ANNE was restored, and the rate was called *Federal currency* to distinguish it from the various State currencies. Still, there was no Federal coinage, and coins from all parts of the world were taken at the Custom Houses at a statutory value. In 1792 Congress organized the United States Mint, permitting the circulation of the foreign coins for three years longer, until the new national coinage should be ready, and establishing the national standards—the eagle to be counted at $10, and to contain 270 grains of gold of the fineness of 22 carats, and the dollar to contain 416 grains of silver 892.4 thousandths fine.

Changes in the currencies of SPAIN, of ENGLAND, and of AMERICA, now concurred to disturb the par of $4.44. In 1772 the fineness of the Spanish dollar had fallen from 11-12ths to 10¾-12ths. In 1774 silver had ceased to be a legal tender in ENGLAND (in sums over $25) excepting at the rate of 5*s.* 2*d.* an ounce. The exchange between AMERICA and ENGLAND was thenceforward regulated by the intrinsic value of their gold coins alone, a change which became more apparent in 1816, when ENGLAND adopted the gold standard exclusively, and made her silver coins tokens only by coining the same weight of silver into 66*s.*, which had previously (since the year 1666) been coined into 62*s.* The average value of the dollar of Spanish and American coinage in 1795, 1798, and 1803 was 4*s.* 4*d.* sterling, calculated at the mint rate of 5*s.* 2*d.* sterling per ounce. In other words the par of exchange on the basis of the dollar was 3⅞ premium

on old par. The Federal dollar remained unchanged until 1837, when it was reduced. The weight was made 412½ grains, and the fineness 9-10ths; since that time the dollar has not been altered. In 1853 the half-dollars and smaller coins were still further reduced, but without affecting the exchanges, for, as before stated, all estimations of exchange after 1793 should be made on gold and not on silver standard.

In order then to ascertain the various changes of new par since the Revolution, the gold currency of ENGLAND must be considered. This had been fixed by advice of Sir ISAAC NEWTON in 1717, and has ever since remained unchanged. One pound of gold, of 22 parts pure to 2 alloy was, and is yet, coined into £46 14*s.* 6*d.*; but the eagle, the standard American gold coin, has undergone three changes as follows:—

VALUE OF THE EAGLE COMPARED WITH THE SOVEREIGN.

Date.	*Weight.*	*Fineness.*	*Weight of Fine Gold.*	*Value stg.*	*Par.*	*Value of Sovereign in U. S.*
1792	270 gr.	Same.	247½ gr.	43*s.* 9*d.*	2⅞	4.87 £ stg.
1834	258 gr.	890¼–1000	232 gr.	41*s.* ¼	9⅝	4.87 £ stg.
1837	258 gr.	900–1000	232.2 gr.	41*s.* ¾	99–16	4.87 £ stg.

It therefore clearly appears how the present par of exchange became fixed at so large a premium upon the old par of Queen ANNE.

These changes in the value of the United States coinage affected in course of time the legal par of the loyal colonies. The currency of CANADA was for a long period in great confusion, for having no colonial coinage, the coins of all nations passed at values fixed by statute with little apparent relation to intrinsic value. The first statute is that of 1777. In 1795 the Customs Act declares that £ 5,000 stg. is equivalent to £ 5,555 11*s.* 1⅓*d.* currency. The old par of 1707 was evidently then the legal par. In 1808 a Currency Act was passed enumerating the most common coins—these were French coins, remaining from the period of French rule, Spanish and Portuguese coins, British coins, and United States coins. The guinea (21*s.* stg.) was valued at 23*s.* 4*d.* currency, the 1*s.* stg. at 1*s.* 1*d.*, the eagle at 50*s.*, and the Spanish and American dollar at 5*s.* Thus the attempt was made to keep the currency at old par when reckoned in English coins, and at 2⅞ prem. (or American par) when reckoned in United States coins. For if the guinea (21*s.*) was worth only 23*s.* 4*d.* currency, the eagle, which at that time was of intrinsic value for 43*s.* 9*d.* stg., could be worth only 48*s.* 7*d.* currency, instead of 50*s.* as enacted. The shilling sterling was undervalued as regards the dollar in the same ratio. This seems to have had the very natural effect of driving all the British coins out of circulation, and in 1825 an imperial order in Council was issued, fixing the value of the dollar at 4*s.* 4*d.* stg. in British silver coin, and making provision for the introduction into the colonies of British silver in large quantities, by means of the Commissariat, and ordering that such coin should pass at its nominal value as in ENGLAND. These regulations do not appear to have had much effect, for in that same year

the value of the shilling was raised in UPPER CANADA to 1*s.* 2*d.* currency. In 1836 the same Province again raised the value of the shilling stg. to 1*s.* 3*d.* currency, and also fixed the value of the pound sterling at 24*s.* 4*d.*, assimilating the legal par to the change of 1834 in the United States par, but over-valuing the sterling shilling.

An effort was made in 1839 by both Provinces to remedy this anomaly, but the bills passed failed to receive the royal assent and it became one of the first duties of the Parliament of UNITED CANADA in 1841 to remedy the confusion. The par of 24*s.* 4*d.* to the £ stg. was retained, but the silver was reduced to its proper proportionate value, and could only be used as a legal tender to the amount of 50*s.* currency. The convenience of easy reckoning and the competition of traders still kept up the current value of the British shilling to 1*s.* 3*d.* in spite of the Act, and the currency gradually became overloaded with British silver.

The subsequent changes in our currency are too recent to require much notice. The dollar which in 1841 had been raised to 5*s.* 1*d.* was reduced in 1850 to 5*s.* And in 1851 the decimal system displaced the intricate and cumbrous denominations of pounds, shillings and pence. Every reader will recall the circumstances which led to the pouring of all the United States silver coinage into our already overloaded silver currency, and the various expedients vainly resorted to for relief until the effectual remedy of the present finance minister was applied. The Act of 1854 fixed our currency on its present basis, confirming the par of 1841 of $4.86 66-100 or 24*s.* 4*d.* currency to the £ stg. or 9½ per cent. premium on the par of Queen ANNE.

The Confederation of the British North American colonies and the consequent extension of the Canadian par has left but two anomalous currencies among the English-speaking people of this continent. In NEWFOUNDLAND the par of 4.80 to the £1 or 8 per cent. premium prevails, and the little ISLAND OF PRINCE EDWARD still rejoices in the enormous premium of 35⅛ per cent., or 30*s.* to the pound stg.* We may surely hope that the time will shortly arrive when not only these anomalies will disappear, but when the mother country will adopt a decimal system which will facilitate computation, and thus increase trade with all her children throughout the world.

* This island, as before noted, now forms part of the Dominion of CANADA, having been confederated in 1873. The Island of Newfoundland alone remains out of the B. N. A. Confederation.

THE PREREQUISITES TO RESUMPTION.

AMERICA AND FRANCE.

From the London Economist, October 25, 1873.

As two of the great monetary countries of the world are suffering much from an inconvertible paper currency, and as both ought to aim as soon as possible to resume payments in specie, it is important to consider what are the prerequisites of such a change, and what a country ought to do which wishes to make it.

The conditions of success in the attempt are three—First, The difference of value between paper and gold ought to be so far reduced that no enormous amount of paper will require to be exchanged for gold when specie payments are resumed. If gold is at a high premium—say 25 or 35 per cent.—as compared with paper, it is plain that, as soon as the law says that gold must be given for the paper on demand, a very large number of persons will wish to obtain so considerable an advantage, and to exchange the less valuable article for the more valuable. And it would be difficult to accumulate sufficient specie to meet so formidable a demand. But if the premium on gold is reduced to a small amount, the amount of paper coming in for exchange will be small too; and the payment in gold of that small quantity of paper will be enough to accomplish the desired effect, and to equalize the value of the two.

Secondly,—and this does not need remark,—the bank or government which is about to pay in specie must have immediately ready in store as much of that specie as will be at once needed to pay the comparatively small amount of paper which will so come in.

Thirdly,—what does very much need remark, for it is by no means distinctly seen,—the bank or government must have in stock such a quantity of gold and silver as will be necessary to secure the permanent convertibility of paper into gold. It must provide not only for the momentary demand which is sure at first to happen, in order to efface the slight premium on gold, but also for further demands which in the course of time may be expected to happen. The reason of this is plain. The undertaking to pay a large quantity of bank notes in specie is the creation of a very serious liability; at any moment a large amount of that paper may be demanded for payment. And it is as likely to be demanded immediately, or soon after the resumption of specie payment, as at any other time. Indeed, the period just after resumption is likely to be especially critical, because that resumption is in itself a great change in trade, and in that, as in all other such changes, no one can say what other movements or what new de-

mands they may occasion. The resuming bank or government must be prepared, at the time of resumption, with a sufficient store of specie to secure its credit and to pay any demand which in reasonable probability will be made upon it. And in such a vital matter it should err rather on the side of excess than on that of deficit; for if it keep too much it only loses some interest, whereas if it keep too little it must stop payment and its credit will be broken.

When the BANK OF ENGLAND resumed specie payments under the Act of 1819 the first of these conditions was completely satisfied. The following table will show that the premium on gold as compared with paper had become (from causes which we cannot now discuss) very small:

Year.	*Average price of gold per oz.* £ s. d.	*Average depreciation per cent.* £ s. d.
1811	4 4 6	7 16 10
1812	4 15 6	20 14 9
1813	5 1 0	22 18 0
1814	5 4 0	25 2 6
1815	4 13 6	16 14 3
1816	4 13 6	16 14 3
1817	4 0 0	2 13 2
1818	4 0 0	2 13 2
1819	4 1 6	4 9 0
1820	3 19 11	2 12 0

—and the depreciation was still less on May 1, 1821, when specie payments were resumed. And as they had in stock £11,869,000, not only were they amply prepared for the demand for gold incident to the act of resumption, but they were prepared also, according to the notions of that time, for the permanent discharge of the new liability. Their entire liabilities were:

Circulation	£23,884,000
Deposits	5,622,000
Total liabilities	£29,506,000

—so that their reserve amounted to two-fifths of their liabilities. Even this reserve was, in fact, insufficient, for in 1825 the till of the bank was found empty. In that year the convertibility of the note was preserved, not by the magnitude of the store of coin and bullion, but by the happy belief of the public that no such store was needed. But the calamities of 1825 were mainly owing to mismanagement after specie payments were resumed; if the reserve with which the bank began specie payments in 1821 had been maintained in 1825, the panic of that year would never have occurred. The mistake was not in commencing specie payments with an inadequate reserve, but in afterwards neglecting the reserve and letting it dwindle. The resumption of cash payments by the bank was an operation in itself fairly successful.

In the case of AMERICA the first condition is scarcely, we think, sufficiently satisfied. The premium on gold, though far less, perma-

nently, than it ever was, is still so high that an immediate offer on the part of the government to pay gold for paper might be dangerous. The price of gold now varies between 108 and 110; and if, with a premium of 8 to 10 in favor of specie, specie payments were resumed, a large amount of gold might be required. Anything like a run is at such a moment particularly dangerous. It may begin in a desire to get a premium, but when once begun it may easily beget a distrust of paper altogether; far less events have caused in their time an "ugly rush." New York is a market where even minor risks are serious; everything is "worked" to the utmost. Unscrupulous and combined operators are ready to seize all advantages; and if the aggravation of general discredit would advantage them, they would without hesitation aggravate it. The premium on gold must, in our judgment, be still farther reduced before specie payments can be safely recommended.

In AMERICA it is thought that this panic by the "shrinkage of values," that is, the reduction of prices which it has caused, has greatly increased the facility for a return to specie payments. But the diminution in the paper prices of articles other than gold is no aid in effecting this object; it is by the amount of the premium on gold in comparison with paper that its safety is to be measured. And by destroying money "corners" and much vicious speculation in gold that panic has no doubt been a sensible help; the premium on gold, which had been unduly raised 2 or 3 per cent. has now been reduced to its natural amount. But so long as that premium still remains so high as it now is the risk of a return to specie payments will be considerable.

We know by experience how that premium may be effaced. If no more greenbacks are issued the augmenting trade of the country will of itself raise the value of the paper. But this is a severe and painful process. Conducting a larger trade with an identical currency is the same as conducting an equal trade with a diminished currency. In both cases there is dear money, that is, a high rate of interest and a lowered scale of prices; people have to pay more for what they borrow and receive less for what they sell, and the consequent suffering to trade is always considerable. It can be borne by AMERICA, we know, for she has already borne it; she has already reduced the premium on gold by a much larger amount than that which remains to be reduced. But the effort has been great, and this panic is, in great part, the consequence of it.

Nor are our second or third conditions satisfied. The store of gold now held by the American government is altogether inadequate to the resumption of cash payments. The amount of coin in the treasury is £16,965,000, and the actual legal amount of greenbacks is £65,265,000, and this amount has just been exceeded by the reissue, with contested legality, of greenbacks withdrawn from circulation. The specie is therefore just a fourth part of the liability on the currency, an amount plainly inadequate to the burden of so large a liability.

Happily, however, the American government has no difficulty in obtaining any amount of gold which it may require. It receives its customs duties in gold, and these amount to more than the interest which it has to pay in gold. It has for years sold gold regularly, and has invested the proceeds in the purchase of its own bonds. It has only to stop selling, and it will receive of necessity as much gold as it may desire. In this way it may accumulate gradually a sufficient reserve in gold to meet the first demand consequent on resumption, while there is any kind of premium on gold as compared with the paper, and to meet also the permanent liability involved in the promise to pay on demand so many millions. The American government has no difficulty in accumulating the gold; its only difficulty is the necessary diminution of the premium on gold.

The difficulty of the BANK OF FRANCE is the precise opposite. It is not troubled with the premium on gold or on silver, since, for ordinary purposes, there has never been any,—7 or 8 per mille is the whole amount of the premium on gold even now, though the circulation of notes has augmented so rapidly. There would be no difficulty in getting rid of such a premium as this; nor would it cause any risk in proceeding to specie payments. The small premium has driven the exchange business from Paris. Even that minute amount and the incessant though still minuter fluctuations of it, have been sufficient to disturb such fine calculations. But the premium has had no other effect, and, except in the improbable event of its becoming much larger, it never will have.

But, on the other hand, the BANK OF FRANCE has no such facility as the American government in obtaining gold. It is not a government; it receives no taxes; it has no power of saying that such and such duties shall be paid to it in specie. It cannot fill its till by compulsion. And that till is now far from full. The figures are—

LIABILITIES OF BANK OF FRANCE.

Notes	£119,921,000
Government deposits	6,174,000
Private deposits	9,056,000
Total	£135,151,000

Against a reserve of £28,946,000, which is little more than one-fifth of the liabilities. To have in reserve the same proportion of its liabilities which the BANK OF ENGLAND had in 1821, it must accumulate £54,000,000, or £26,000,000 more.

In the present state of FRANCE this would be most difficult. The effect of the indemnity is still felt. As M. BUFFET well said, FRANCE has not paid her debt, she has only changed her creditor. The interest on the rentes, which are finally placed, is very heavy, and is weighing fearfully on the national finance; and besides this there are said to be many bills representing portions of the new debt which are still in *transitu*, and have not finally sunk down to the consumer. Trade is bad, and must be bad, for FRANCE is a great consumer of

its own productions, and FRANCE has economized since her defeat, perhaps more than any country before ever did. And in this way she will pay the interest to the national creditor. But in this way also she disturbs and renders unprofitable her ordinary trade. Goods which were produced in order to meet the demand which existed before the war, cannot now be sold so soon as they could then have been sold, perhaps they cannot be sold at all. The applications for discount to the BANK OF FRANCE are becoming larger and larger, and though it discounts in its own inconvertible paper, it charges 6 per cent., so as, if possible, to drive away bills and to lessen the amount of its advances. FRANCE cannot, therefore, easily accumulate a large amount of new gold. In order to do so she must raise her rate of interest above that of other countries, so as to attract gold to PARIS and to keep it there. But in her necessary present condition, and without any ambitious effort, the rate of interest is 6 per cent. and may be higher. A most heavy burden is already imposed on an impoverished country, and she could not bear a heavier.

Such are the curiously-contrasted difficulties which beset FRANCE and AMERICA in an attempt to return to cash payments, and the effect on the English money market of the two resumptions would be unlike also. The resumption of specie payments in FRANCE would perhaps be an aid to the English money market. There would then be, as there used to be, a second great and accessible store of the precious metals in EUROPE; the BANK OF ENGLAND would not be the only one. But the American resumption would augment our difficulties. AMERICA would compete with us for the store of specie in the world; the present panic would have caused infinitely greater demands on us if the currency had been metallic, all other things being as they now are. The gold would not then have been an article of merchandise, but a means of payment. When the American standard again consists of gold, we shall be always liable to have our supply of gold interrupted by her wants, and even to have gold taken from London to supply them. We may expect FRANCE to help us in keeping the gold store of the world; it is suitable to her character as a quiet accumulating nation; but we cannot expect AMERICA to do so. She is the country which surpasses all others in the means of employing money and in the hardihood, not to say the recklessness, with which she uses them.

—*London Economist*, *October* 25.

THE TAXATION OF DEPOSITS.

Treasury Department, Office of Internal Revenue,
Washington, March 31, 1873.

Section 5 of the act of December 24, 1872, provides that the returns of taxes imposed by section 110 of the act of June 30, 1864, as subsequently amended, shall "be made and rendered semi-annually, on the first day of December and the first day of June, in duplicate; one copy of which shall be transmitted to the collector of the proper district, and one copy to the Commissioner of Internal Revenue;" and section 37 of the act of June 6, 1872, prescribes payment of these taxes on the first days of January and July.

It will be seen that the regular returns by banks of deposits, circulation, and capital, and the returns of savings banks, which, but for the act of December 24, 1872, would have been due in January, 1873, cannot now be required before June 1, 1873.

In ascertaining the taxable amount of deposits in savings institutions *having no capital stock* and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, all deposits exceeding $ 2,000 in the name of any one person are to be included, excepting that where any period prior to August 1, 1872, is embraced in the return of such savings bank, the exemption of deposits for such period prior to August 1, 1872, extends only to deposits of less than $ 500 in the name of any one person. The amount of deposits invested in United States securities is *exempt* from assessment.

The term "United States securities" includes only interest-bearing obligations of the UNITED STATES owned and held by the bank as an investment. The average of monthly deposits subject to tax must be made up from the "daily balances" of deposits, by adding the daily balances of each business day in the month and dividing the aggregate by the number of business days in said month. The "balance" of deposits of each day, which is thus first to be ascertained, is the entire amount of deposits remaining to the credit of depositors at the close of business for the day. But the balance of deposits of each day in the case of the savings banks above described, subject to tax, is the entire amount of deposits remaining to the credit of depositors at the close of business each day, less—1st, the amount of *deposits* at that time held as an investment in United States securities; 2d, amounts of $ 2,000 *or under*, in the name of any one person.

Section 6 of the act of March 3, 1865, as amended, provides that "every National banking association, State bank, or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, State bank, or State banking association used for circu-

lation, and *paid out* by them" after August 1, 1866, and that "such tax shall be assessed and paid in such a manner as shall be prescribed by the Commissioner of Internal Revenue."

Section 2 of the act of March 26, 1867, provides that every National banking association, State bank, or banker, or association shall pay a tax of ten per centum on the amount of notes of any town, city, or municipal corporation, paid out by them after May 1, 1867, "to be collected in the mode and manner in which the tax on the notes of State banks is collected."

It is prescribed that these returns shall be made on the same forms as returns of tax on deposits, capital, and circulation, and at the same times; and that the taxes shall be collected at the same times as those fixed for the collection of taxes on deposits, capital, and circulation.

In view of the provisions of section 1 of the act of December 24, 1872, transferring to and imposing on collectors of internal revenue at the time therein mentioned, to be performed by them or their deputies, the duties theretofore imposed on assessors and assistant assessors, collectors will at once order from this office a sufficient number of the necessary forms (67 and 106) to meet the cases of liability to the above-named taxes in the respective districts; and will take particular care that each of the said tax-payers be supplied with a sufficient number of copies thereof in ample season to make the returns above mentioned.

J. W. Douglass,
Commissioner of Internal Revenue.

Sterling Exchange.—After January 1, 1874, dealings in Sterling exchange will be reckoned at the value of the United States dollar in gold, an act of Congress making void all transactions after that date in which the present mode of reckoning is used. The calculations hitherto in use have made necessary a fictitious per centage of premium, in order to bring up to the actual value of the pound sterling, say $4.86, the fictitious value $4.44, which was formerly associated with the pound sterling in consequence of an arbitrary computation of the value of the federal dollar at four shillings and sixpence. Adding to $4.44 something less than 9½ per cent., the actual value of the pound, $4.86, is reached, and thus it has resulted that the price of bills on England has been quoted day after day and year after year at an apparent premium of 8 to 10 per cent., more or less. The actual value of sterling sixty-day bills for months past has been from one to two per cent. below par, the rate in the midst of the panic of course falling considerably below that. The value of the pound sterling as fixed by Congress for Custom-House computations is four dollars eighty-six cents and six and a-half mills, $4.86-65. The quotations of sterling exchange henceforth will show the value from time to time of our gold dollar in purchasing bankers' drafts on London, either at sixty days' sight or at three days' sight, nearly all the bills sold being made at 60 days' or 3 days' sight.

REFORMS IN THE CURRENCY.

Report of the Boston Board of Trade.

A special meeting of the Boston Board of Trade took place in December last, the special assignment being the report of the committee charged with the consideration of the relations of the currency to panic. Mr. B. F. Nourse, on behalf of the committee, presented the following:—

Whereas, the Congress of the United States passed, and the President approved, under date March 18, 1869, an act entitled "An act to strengthen the public credit," wherein the faith of the United States was "*solemnly pledged to the payment in coin or its equivalent of all the obligations of the* United States *not bearing interest, known as United States notes;*" and the same act more definitely in another section said, "*and the* United States *also pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.*"

And, whereas, the proper sense of its own honor and obligation, and its true appreciation of the honorable spirit of the people, which prompted that Congress to make those solemn pledges, now even more requires of this Congress that the pledge of public faith be redeemed;

And, whereas, conditions have arisen in which the performance, if now entered upon earnestly, can be accomplished with more ease and safety to public and private interests than can be expected in the future if this opportunity be lost; therefore

Resolved, That the delegates of this board to the National Board of Trade, at its adjourned session, to be held at Baltimore on the second Tuesday in January, be requested to co-operate with their associates in the National Board in earnest representations to Congress against the issue of any more irredeemable paper money whatsoever, and in favor of such simple legislative measures as shall gradually improve the currency, prepare the way slowly but surely for the eventual resumption of specie payments, and save the public faith as pledged by Congress from dishonor.

Resolved, That this board recommends, and asks the concurrence of the National Board of Trade and its constituent bodies in recommending to Congress the following measures, as simple, easily understood by the people; in their operation gradually to improve the currency and to prepare the way for a return to specie payments and the restoration of a true standard of value; yet doing no violence, injuring no legitimate and prudent business, nor disturbing the relations of debtor and creditor:

First. An amendment of the National bank law, providing that on and after April 1, 1874, every National bank shall hold in its own

possession—no part deposited in any other bank—the whole of its reserves required by law; and that from and after October 1, 1874, every National bank shall hold one-fourth, and from October 1, 1875, one-half, of its lawful reserves constantly in lawful coin.

Second. An act similar in form and substance to that introduced by Senator SUMNER in 1871, but modified so as to read as follows:

Be it enacted, &c., That the Secretary of the Treasury is hereby authorized and directed to prepare for circulation compound-interest notes equal in amount to the outstanding legal-tender notes and fractional currency of the UNITED STATES, and in all respects similar to those heretofore issued under the act approved March 3, 1863, except that the interest thereon shall be four per cent. per annum.

SEC. 2. These notes of different denominations, to the amount of ten millions of dollars, shall be dated on the first day of each month, commencing with the first day of July next ensuing, when the amount named shall be ready for issue, and then afterward on the first day of each month until the requisite amount has been furnished.

SEC. 3. The notes thus provided shall be paid out for all disbursements of the Treasury, except those due in coin, as long as they are sufficient for the purpose, and if the whole monthly instalment is not thus disposed of, it shall be the duty of the Secretary of the Treasury to exchange the surplus for the present legal-tender notes so far as practicable, and the full sum of ten millions may be put in circulation each month.

SEC. 4. It shall be the duty of the Secretary of the Treasury to cause the destruction, each month, of legal-tender notes to an extent equal to the notes issued under this act and simultaneously with that issue.

SEC. 5. The notes issued under this act shall, at the option of the government, be convertible at the end of two years, in sums of one hundred dollars or its multiple, into bonds of the UNITED STATES not having less than ten or more than forty years to run, and bearing interest at the rate of five per centum, and the Secretary of the Treasury is hereby authorized to issue such bonds.

SEC. 6. Whenever these notes, or the bonds into which they may be converted, can be sold at par in gold, the Secretary of the Treasury may sell them in such sums as may be called for, and apply the proceeds in gold to cancel legal-tender notes as they are paid into the treasury.

SEC. 7. The notes to be issued under this act may constitute one-fourth part and no more of the legal reserves required to be held by the National banks.

In explanation of the resolution and the draft of a bill which they include, the committee state that they recognize the duty of ascertaining the greater facts which constitute the true diagnosis of the disease for which a remedy is desired, and of constant adherence to laws and principles which, in financial science, are as unalterable and imperative as are the laws of nature in the physical world.

As facts of paramount importance are found:

1. That the outstanding issues of paper currency now irredeemable amount to about $750,000,000.

2. That the sum of about $400,000,000 is a demand liability of the United States Treasury, a forced loan levied upon the people in the exigencies of the war.

3. That of the $750,000,000 of paper currency outstanding, so large a portion (estimated to exceed $350,000,000) had been gradually withdrawn from the channels of business that not more than $400,000,000 has been, or would be, available for general business uses during the last two years.

4. That while the whole issues, if in active use, would be excessive and the cause of great inflation of prices of commodities, the portion in active use, lacking in many respects the power and quality of money, has at times been insufficient for the exchanges and payments required by the expanded debt and widely-extended business promoted by the vicious character of the currency itself, so that scarcity of money has been actual.

5. That the common supposition that the whole seven hundred and fifty millions (less bank reserves) was in use has led astray both those who would contract the currency and those who would further expand it by issues of more paper.

And the following the committee looks upon as "practical truths resting upon the laws of finance recognized by political economists everywhere."

1. Without the coercive interference of the government no more paper currency can be kept redeemable, or at par of gold in any country, than is sufficient, with its accompanying specie, for the easy performance of the business exchanges of that country.

2. Our paper currency must be reduced, and the coin in the country must be increased until the latter shall be enough to protect the former, the aggregate of both not exceeding the business needs of the people, to insure the safety and permanence of specie payments.

3. An indispensable condition, precedent to specie payment by the Treasury, is that a portion of the demand liabilities of the Treasury shall be retired.

4. The withdrawal of those liabilities can be and should be so wisely ordered, so gradual in operation and so gentle in effect, that there shall be no contraction of the volume of the currency other than by voluntary action of the people; that the inflow of gold shall be encouraged, and that the confidence of the people and the credit of the government shall advance together.

5. When exigencies arise whereby the nation's disbursements exceed its revenues and a deficiency is to be supplied, even if arising from war or other dire calamity, the last resource of a true statesman should be the most costly one—a forced loan from the people, carrying its confession of disability, compared with which the negotiation of public loans at the severest rates known among first-

class powers is incomparably cheaper; and it is not creditable to the UNITED STATES that the Treasury reissues legal-tender notes once redeemed, to supply a temporary deficiency in its revenues.

Lack of space forbids further extracts from this valuable financial paper, which certainly indicates care, thought and painstaking research in its accuracy, and which, while it will not lack critics as to the wisdom of its recommendations, will be recognized as an impartial and full statement of the facts in the case, rendering it invaluable as a basis for discussion. It is, perhaps, to be regretted that the vote upon its adoption could not have been postponed for at least a week, as it is certain that it has excited much thought and comment among financial men, and would, were the opportunity offered, bring out a most interesting and fruitful discussion.

FINANCIAL SYRENS.

From the Baltimore Daily American.

The Cincinnati *Gazette*, in discussing the merits of our present currency, has some very pertinent remarks upon the corruption of public sentiment, worked by familiarity with a vicious monetary system. It says:

"The change in the opinion of men with the changing times is in nothing more notable than that which has taken place in our people with regard to the qualities of money. Before the civil war there was a variable quantity of paper money, expanding in seasons of confidence, and contracting in seasons of depression, but whose highest point ever reached was 217 millions, and which was called on a specie basis; that is to say, it was payable on demand in specie, and the specie payment regularly failed when any disturbance of trade brought about an alarm. There are now 772 millions of paper money (the sum is rising daily) in circulation, and the greater number appear to think there is not enough.

"Again, the issue of currency notes by the government was universally thought a dangerous resource. To make such notes legal tender shocked the public sensibilities. The public financiers and congressmen who supported the measure argued it as a hard necessity, a thing justifiable only by the national extremity, a war resource to save the Republic. They finally called it a 'forced loan,' warranted only by the higher law of the public safety, which warrants the impressment of men and private property for the common defense. By the agreement of all, they were to be withdrawn as soon as the peace of the nation should be established.

"The National banks were designed by their father, Mr. CHASE, to furnish a currency to take the place of greenbacks. Except for this, the creation of these at that time to pour 300 millions more into the flooded circulation was an act of folly. At the downfall of the

rebellion Secretary McCulloch began in good faith to carry out this original understanding and pledge, first, by converting all the interest-bearing currency bonds into specie bonds, and second, by asking Congress to enact the withdrawing and canceling of the greenbacks at the steady rate of four millions a month, under which law forty-four millions were actually withdrawn. By a discovery, which is but another instance of the change of opinion with the times, this sum is now found to be a 'reserve,' and is fast going into the circulation."

The *Gazette* might have continued its comments much further. So far from an inconvertible currency being considered a great evil made tolerable only by irresistible force of circumstances, it has come to be considered a great blessing, and the more we can get of it the better. It must be "elastic," of course. "Elasticity" being interpreted simply means, however, that whenever we want more of it, we can get it. Cooper, in one of his novels, *The Manikins*, imagines a nation of monkeys located at the South Pole, which is a balmy and verdant region of country, where the heat generated by the friction of the axis of the earth keeps up a perennial mildness of temperature. Besides stimulating the fertility of the soil to an extraordinary degree, these exceedingly favorable climatic conditions seem to exert a strong fructifying influence upon the mind, for there is an abundant production of wonderful social and economic systems. Their financial system is one that will commend itself to the lovers of our inconvertible currency. They do not even trouble themselves by those specimens of fine engraving and typographical work, over which we contend with such turmoil, but utter their "money" verbally.

The growth of this beautiful financial system is explained by one of their political economists as follows: "About five hundred years ago our ancestors having reached that pass in civilization when they came to dispense with the use of trousers, began to find it necessary to substitute a new currency for that of the metals, which it was inconvenient to carry, of which they might be robbed, and which also were liable to be counterfeited. The first expedient was to try a lighter substitute. Laws were passed giving value to linen and cotton in the raw material, then compounded and manufactured, next written on and reduced in bulk, until, having passed through the several gradations of wrapping paper, brown paper, foolscap and blotting paper, and having set the plan fairly to work and gotten confidence thoroughly established, the system was perfected by a *coup de main.* Promises in words were substituted for all other coin. A manikin can travel without pockets or baggage, and still carry a million; the money cannot be counterfeited nor can it be stolen or burned." In exemplification of the admirable workings of this system, the sage mentioned that since its adoption real estate had immensely increased in value, and bankruptcy was unknown.

The fantastic creation of the novelist loses its point and satire at the present day; for, although, perhaps expressed in different lan-

guage, the same theories in regard to money are broached as were in operation among the manikins. Indeed, the prospects held out to us are even more brilliant. We can pay off the national debt, defray the expenses of government, and, in short, make the fortunes of the whole community by the use of an irredeemable currency. This pleasing air is ground assiduously on various hand-organs. We hear Mr. HENRY CAREY BAIRD, of Philadelphia, and the burden of his song is: "the most beautiful, the most perfect, and the most certain plan ever devised or suggested by man for the accomplishment of this grand object—financial stability—is to be found in that which is daily enlisting new advocates, and which proposes simply a full supply of national paper money, having the feature of interchangeability, at the option of the holder, for Government bonds, bearing a fixed rate of interest."

Between these extremes there is a great crowd of people, all singing varieties of the same tune, and "organs" in great number grind it out, until one feels a longing for the time spoken of by the preacher, when the "grinders shall cease because they are few."

There is no royal road to learning, nor is there a royal road out of debt for an honest people. We are largely in debt, and we cannot pay our debts without feeling their pressure. Nor can we always conduct our financial affairs upon promises to pay, which, be it remembered, are not money. Government might as well try to call spirits from the vasty deep as endeavor to extract money—money to the whole financial world—from the printing presses at Washington. We may expand the currency and gain temporary relief, and very soon the "moving of the crops" will be found to occasion as great difficulty as before. More paper will be demanded, and so on to repudiation. Those who suffer from contraction will find their last state worse than the first.—*Baltimore Daily American*, *Dec.* 16, 1873.

A CORRUPT CURRENCY.—The faces of nine out of every ten men who are in debt in amount more than they can conveniently pay are just now turned towards Washington for "relief." As the only money we have is made up of notes, either of the banks or of the Government, people look for an increase of these to bring "relief." It is not surprising that that word, "relief," has such a powerful, although somewhat mysterious charm. It is the term by which every member of Congress and every financial theorist describes the object of his pet scheme, whatever it may be. But as these schemes, though agreeing in their object, differ widely in their methods, and must differ equally in their effects, it is best not to put too much confidence in any of them. In the meanwhile there is really no pressing need for the action of Congress in regard to this matter. It is far better that nothing should be done than that a blunder should be committed. Probably no immediate action could be taken that would not lead to inflation, and inflation in any form, under any pretext, would be a great misfortune.

—*Philadelphia Daily Ledger*, *December*, 1873.

THE STATE BANKS OF PENNSYLVANIA.

Extracts from the Annual Message of Governor JOHN F. HARTRANFT, *to the Legislature, January 7, 1874.*

I still adhere to the principles laid down in the Mifflinburg and Wood's Run Vetoes of last session. Recent events have demonstrated the necessity of fixing proper limitations to the powers conferred on these moneyed corporations, and have afforded a practical illustration of the wisdom of rigidly confining them to objects that are recognized by the people as distinctively belonging to such institutions. When a bank of discount is permitted to become also a savings fund, a trust company, an insurance company, to buy and sell real estate, and to have the rights and privileges of a building association it is difficult to determine what are its legitimate functions, or what security a community has for the safety of its deposits. I have always entertained serious doubts as to the propriety of banks of discount paying interest on deposits, and am now convinced that this pernicious practice should be prohibited. Money will always flow to banks paying interest on deposits, and the large surplus thus aggregated, seduced by attractive offers, is sent to the great money centres, where it gives more impulse to speculation, while the sections from which it is drawn suffer in all their enterprises from the higher rates they are compelled to pay for the money remaining at home. This system of purchasing deposits was confessedly one of the principal causes of the financial crisis of 1857, and of this year. When banks have large deposits on call, and have their loans on time, in the event of any great stringency in the money market, disaster is almost inevitable.

Within a few years many State banks have been chartered, with the captivating names of savings banks, designed to attract deposits. These banks and savings funds are entirely distinct in organization and purpose, and should never be associated in their management. The one is a bank of discount, intended to supply the wants of business; the other is simply a repository for people's money, limited to small amounts to each individual, the aggregate of the amounts thus received to be invested in mortgages on unincumbered property worth double the amount of the mortgage, and in secure public stocks, in safe proportions. A bank is conducted with the avowed object of benefit to its stockholders; a savings fund is presumed to be managed entirely in the interest of depositors among the laboring classes, or those of limited means and business qualifications, and the essential requisites of which are such prudence and safety in the disposition of the funds as will best enhance their value for the benefit of these classes of depositors. Men in charge of savings funds should have no personal ends to serve; should be above temptation, and receive their highest reward in the good accomplished by inducing a saving habit which, once fixed, leads to prosperity.

The objects of trust companies should be equally specific and well defined. Some of these companies are invested with very extensive powers, are the depositories of immense sums of money, and charged with the keeping and management of vast and important trusts. It should be the duty of the State to see that their affairs are administered with fidelity, not only to the individuals who confide in their management, but to the public who are interested in the security and stability of these companies as barriers to wild speculation, and its consequent financial panics.

Allow me to suggest, therefore, that all State banks, savings funds and trust companies be made subject to the examination of a committee appointed by proper authority; that these institutions be required to publish quarterly statements, under oath, of the amount of their assets and liabilities and the names of their officers; that by a general law their stockholders be made personally liable for double the amount of stock held by them; and that they be compelled to have constantly in their vaults a cash reserve of ten per cent. of their net liabilities. These examinations, reports and restrictions cannot be hurtful to institutions of established credit and high character, while they will disclose the unsoundness or mismanagement of those that ought not to exist.

SOMETHING ABOUT DUE DILIGENCE.—In the Circuit Court of Carroll County, MD., Judge PEARCE delivered, recently, a decision in a case as follows: Some months since Messrs. KIRKLAND, CHASE & Co., then doing business in Baltimore, sent to Mr. LEWIS LININGER, of Carroll County, a check on the MARINE BANK OF BALTIMORE for the sum of about $700. Mr. LININGER indorsed the check to Messrs. PHILSON, BLACK & Co., bankers of Dale City, PA., and received the money for it. Messrs. PHILSON, BLACK & Co., having no correspondent in Baltimore, sent the check to a Philadelphia correspondent, who in turn forwarded it to Baltimore, where it arrived on the day of, or a day or two after, the failure of Messrs. KIRKLAND, CHASE & Co., and could not be collected. Of course the check was returned, and went back until it reached Messrs. PHILSON, BLACK & Co., who called upon Mr. LININGER to refund the money advanced upon it. This Mr. LININGER refused to do, when Messrs. PHILSON, BLACK & Co. brought suit to recover the sum. In the trial of the cause it was developed that if the check had reached Baltimore a day earlier than it did it would have been paid. The court therefore gave judgment for the defendant, holding that the rule which called for "due diligence" in such matters was not complied with.

—*Cumberland News.*

NEW PUBLICATIONS.

1. *Stocks in 1872.*

We have received Mr. JOSEPH G. MARTIN'S annual appendix to the *Seventy-three Years' History of the Boston Stock Market*, showing stock fluctuations in the year 1873, in bank, insurance, railroad, and manufacturing stocks, government securities, bonds of all kinds, and land, gas, mining, and other companies, and the dividends paid by each. It comprises a fund of information invaluable to investors and others.

II. *The Living Age.*

The one hundred and twentieth volume of *Littell's Living Age* commenced with the number for January 3, with the promise of a more brilliant career than ever for that favorite sterling periodical. The editors announce, among other important articles, a series of papers by Dr. WILLIAM B. CARPENTER, Sir ARTHUR HELPS, ALFRED RUSSELL WALLACE, and other eminent writers in science and literature. Not the least of its attractions will be a selection from the correspondence of Mrs. BROWNING, on literary and general topics, and from the novels of Miss THACKERAY, Mrs. OLIPHANT, and other prominent foreign writers of fiction. The subscriber to the *Living Age*, at the end of the year, will find himself in possession of a good library at an insignificant cost.

III. *The American Journal of Numismatics and Bulletin of American Numismatic and Archæological Societies.*

The January No. of this valuable series has been issued, containing the following subjects: Origin and history of coined money; coin in CHINA; early copper coin for MASSACHUSETTS; composition of Roman coins; Assyrian discoveries; medal of the Pretender; the coining press of the new trade dollar; the SEWARD medal; coins in foundations; Connecticut counterfeiting and coining coppers; eastern coins; the United States mint cabinet; prevention of a fraud upon our gold coins; transactions of Boston Numismatic Society; editorial; currency.

Single copies of the following valuable financial Reports may be had at this office:

I. *Appendix and Index to Report from the Select Committee of the British House of Commons on the Bank Acts. (British Parliament).* Quarto, half calf. 1857. Price $10.

II. *Report from the Select Committee on the Bank Acts, together with the Proceedings of the Committee, Minutes of Evidence, Appendix and Index. Communicated from the Commons to the Lords. (British Parliament.)* 1858. Price $10.

These Reports are out of print, and can rarely be found in the second-hand book stores of London or New York. They are valuable for public libraries.

NEW YORK BANK DIVIDENDS.

Payable Jan. & July, 1873, and Jan. 1874. Capital and profits of each undivided.

(Continued from August No., page 153.)

Name.	Capital.	Dividend. Jan. 1873.	July. 1873.	Jan. 1874.	Profits.
National Bank of Commerce	$ 10,000,000	4	4	4	$ 3,453,400
Fourth National Bank	5,000,000	4	5	4	1,357,000
Metropolitan National Bank	4,000,000	5	5	5	2,207,800
Central National Bank	3,000,000	4	4	–	113,000
Merchants' National Bank	3,000,000	4	4	4	998,600
Bank of New York, N. B. A	3,000,000	5	5	5	1,161,900
* Bank of America	3,000,000	5	5	5	2,022,200
National Park Bank	2,000,000	6	6	6	1,425,700
Mechanics' National Bank	2,000,000	5	5	5	989,500
Continental National Bank	2,000,000	3½	–	–	66,700
Phenix National Bank	1,800,000	3½	3½	3½	265,800
Ninth National Bank	1,500,000	4	4	4	236,000
Importers & Traders' Nat. Bank	1,500,000	7	7	7	1,469,300
Merchants' Exchange National Bank	1,235,000	3	3	–	129,700
Market National Bank	1,000,000	5	5	5	491,400
Hanover National Bank	1,000,000	3½	4	4	214,000
National Broadway Bank	1,000,000	12	12	12	1,932,400
National Shoe & Leather Bank	1,000,000	6	6	6	700,700
Tradesmen's National Bank	1,000,000	6	6	5	534,000
Third National Bank	1,000,000	4	†4	4	315,800
Tenth National Bank	1,000,000	*None.*	*None.*	–	140,800
* Bank of North America	1,000,000	4	4	4	188,900
* Dry Goods Bank	1,000,000	3½	3½	–	29,600
National Butchers & Drovers' Bank.	800,000	5	5	5	306,900
National Bank Commonwealth	750,000	4	3½	*Closed.*	——
Leather Manufacturers' Nat. Bank	600,000	6	6	6	694,400
First National Bank	500,000	10	‡5	‡5	489,400
Irving National Bank	500,000	4	4	5	154,500
Seventh Ward National Bank	500,000	3	3	3	50,200
New York Nat. Exchange Bank	500,000	3	3	–	37,400
Manufacturers & Merchants' Bank	500,000	4	*None.*	–	67,600
* Security Bank	500,000	*None.*	*None.*	–	——
Bank of the Metropolis	500,000	–	–	4	48,600
Chatham National Bank	450,000	6	6	5	234,100
* People's Bank	412,500	5	5	5	228,500
National Citizens' Bank	400,000	5	5	5	265,100
Marine National Bank	400,000	6	6	6	328,000
* North River Bank	400,000	3½	3½	3½	43,500
East River National Bank	350,000	4	4	4	179,300
Second National Bank	300,000	5	5	5	303,600
Chemical National Bank	300,000	10	15	25	2,992,500
* Oriental Bank	300,000	6	6	6	332,000
* Grocers' Bank	300,000	5	5	5	90,600
Bowery National Bank	250,000	*None.*	*None.*	6	245,700
Sixth National Bank	200,000	5	5	4	71,900
New York County National Bank	200,000	7	7	6	313,900
* Bull's Head Bank	200,000	4	–	–	1,100
* West Side Bank	200,000	4	4	4	34,600
* Eleventh Ward Bank	200,000	3½	3½	3½	15,600
Fifth National Bank	150,000	‡3½	‡3½	‡3½	104,900
* Mutual Bank	100,000	–	*Closed.*	–	——
* Manufacturers & Builders' Bank	100,000	5	5	5	40,500

† In gold. Banks with a star (*) are under State charter. ‡ Quarterly dividend.

BROOKLYN, N. Y.—Manufacturers' National Bank, 4; Long Island Bank, 5.

BALTIMORE, MD.—Citizens' National Bank, 6 per cent.; National Farmers & Planters' Bank, 6; Merchants' National Bank, 5; German-American Bank, 5.

PHILADELPHIA BANK DIVIDENDS.

Name.	*Capital.*	*July,* 1872.	*Jan.* 1873.	*July,* 1873.	*Jan.* 1874.	*Profits.*
Bank of North America	$ 1,000,000	10	10	10	10	$ 1,077,445
First National Bank	1,000,000	6	6	6	6	538,947
Eighth National Bank	275,000	5	5	5	5	103,690
National Security Bank	250,000	3	3	3	3	20,937
Twenty-Second Ward Bank	——	-	-	-	3	——

CLEARING HOUSE.

At the meeting of the Clearing-House Association of Philadelphia, held January 6, 1874, Mr. Joseph Patterson, of the Western National Bank, was elected President, and W. H. Rhawn, Secretary. CLEARING-HOUSE COMMITTEE; *Chairman,* Edwin M. Lewis, of the Farmers and Mechanics' Bank; Charles H. Rogers, of the Tradesmen's; Thomas Smith, of the Bank of North America; Benjamin B. Comegys, of the Philadelphia; James V. Watson, of the Consolidation; George Philler, of the First National; Joseph Patterson (President) *ex-officio.* COMMITTEE OF ARBITRATION: *Chairman,* Daniel B. Cummins, of the Girard Bank; William Gummere, of the Bank of Northern Liberties; Geo. M. Troutman, of the Central National; Jas. L. Claghorn, of the Commercial; Francis P. Steel, of the Southwark; Thomas Potter, of the City. *Manager,* George E. Arnold.

TOTAL DEBT, $ 12,000,600,000.—The *Financial Chronicle,* alluding to Mr. FENTON's recent speech in the U. S. Senate, says: "As the great peril of the moment is undoubtedly the issue of new greenbacks, so our great duty is currency reform. All experience shows that the effect of inflation is to demoralize business, to foster speculation, to derange values, to allure the country into a whirlpool of debt, threatening a final helpless plunge into the gulf of individual bankruptcy and National repudiation." As Mr. FENTON has it, "inordinate debt and speculation, entered into in time of peace, are mainly the offspring of an excessive and vitiated currency. The individual indebtedness of the country is full $ 8,000,000,000. The late Census Report gives the public indebtedness of the States, including that of cities, counties and towns, at a little less than $ 900,000,000. This sum is $ 250,000,000 too small. Take the case of NEW YORK as an illustration. The Census Report puts it down at $ 150,000,000. But by a carefully prepared statement of the late Constitutional Commission of that State, made March 1, 1873, the aggregate bonded indebtedness of cities, villages, counties and towns is given at $ 214,000,000. So the indebtedness of the country—National, State, local and individual—cannot fall much short of $ 12,000,000,000. To any other people such an enormous indebtedness would be appalling; to us the lesson is obvious. But this is not all. The railroad bond and mortgage indebtedness must come up to $ 600,000,000; it is probably more. So, without embracing current business obligations, such as bank loans, discounts and other business paper, the amount of interest alone that we pay annually, at home or abroad—or ought to pay—is fully $ 720,000,000. No matter to whom paid, so far as it affects industry. Inflation of the currency is the treacherous quicksand upon which all this towering, tottering pyramid of indebtedness rests."

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to January 1, 1874.

	January 1, 1869.	*January 1, 1871.*	*January 2, 1872.*	*January 1, 1873.*	*December 1, 1873.*	*January 1, 1874.*
INTEREST PAYABLE IN COIN:						
5-per-cent. Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 213,554,300
New Loan of 1871, 5 per cent.	....	....	96,997,650	200,000,000	283,234,100	289,924,500
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	283,681,350	283,681,350
6 per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	935,158,800	935,046,800
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,716,641,550	$ 1,722,206,950
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railr'd	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$ 7,463,503	$ 7,315,822	$ 1,739,938	$ 4,084,220	$ 20,946,570	
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 367,001,685	$ 378,481,340
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	48,041,350	48,544,792
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	30,220,600	37,543,300
Currency do. do	....	....	....	25,370,000	20,150,000	36,720,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 465,413,635	$ 501,289,432
Aggregate Debt	$ 2,652,533,662	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,282,303,267	$ 2,313,868,774
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	105,156,427	132,476,961
Debt, less coin and currency	$ 2,540,707,201	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,177,146,840	$ 2,181,391,813

Coin in the Treasury, December 1, 1873, $ 91,479,109; Currency, $ 40,997,852; total, $ 132,476,961.

THE DAILY PREMIUM ON **GOLD** AT NEW YORK IN THE YEAR **1873.**

Those quotations in full-face type indicate the lowest and highest rates of each month.

	Jan. 1873.		Feb. 1873.		March, 1873.		April, 1873.		May, 1873		June, 1873.	
1	* * *		13⅛	13½	**14⅝**	15⅛	16⅞	17½	16¾	17⅝	Sunday.	
2	11¾	12⅛	Sunday.		Sunday.		16⅞	17⅝	**16⅝**	16⅞	17½	17⅞
3	**11⅝**	11¾	3	13¼	14⅞	15¼	17¼	17⅞	16⅝	17	17⅝	17⅝
4	11⅝	11⅞	**12⅞**	13¼	14¾	15⅛	17⅝	18⅜	Sunday.		17¾	18¼
5	Sunday.		13⅜	13⅞	15	15¼	18¼	19⅛	16⅝	17	17½	18
6	11⅝	11⅞	13½	13⅞	15	15⅜	Sunday.		17	17¼	17⅞	**18¼**
7	11⅝	11⅞	13¾	14	15¼	15¾	18½	19⅛	17¼	17½	17¾	18⅛
8	11¾	12¼	13¾	14¼	15⅝	15¾	18	18⅝	17⅛	17½	Sunday.	
9	12⅛	12¼	Sunday.		Sunday.		17⅞	18⅜	17¼	17⅝	17¾	18
10	12⅛	12½	13⅞	14¼	15	15½	17⅞	18⅜	17⅝	18⅜	17½	17¾
11	12⅛	12⅜	13¾	14¼	15	15¼	Good Fri.		Sunday.		17⅛	17½
12	Sunday.		14	14¼	15	15¼	18⅜	**19⅛**	17⅜	18¼	16¾	17
13	12	12¼	14	14⅜	14⅞	15¼	Sunday.		17½	17⅞	16⅞	17⅛
14	11⅞	12⅛	14	14¼	14¾	15⅛	18¼	18⅞	17⅝	18	16	17
15	12	12⅜	14¼	14⅝	14¾	15⅛	17⅝	18⅛	17⅝	17⅞	Sunday.	
16	12¼	12⅜	Sunday.		Sunday.		17⅛	17⅝	17¾	18	15¾	16½
17	12⅝	12¾	14½	14¾	15	15½	17	17⅝	18	18⅜	15½	15⅞
18	12⅝	13¼	14¼	14⅞	15¼	15⅝	17¼	18⅛	Sunday.		15¾	16⅛
19	Sunday.		14¼	14¾	15¼	15½	17¾	18¼	17¾	18⅛	15⅝	16
20	12⅛	13⅜	14⅜	14⅝	15¼	15¾	Sunday.		17⅝	17⅞	15¼	15⅝
21	13¼	13⅞	14⅜	14⅝	15⅜	15⅝	17⅜	17⅞	17⅝	17¾	15¼	15½
22	13⅜	13⅝	* * *		15½	15¾	17⅝	17⅞	17½	18	Sunday.	
23	13¼	13⅞	Sunday.		Sunday.		17¼	17⅝	17⅞	18½	**15**	15⅝
24	13⅝	14¼	14¼	14¼	15¼	15¾	17½	17⅞	18⅜	**18⅝**	15⅝	15⅝
25	13¾	**14¼**	14¼	14¾	15⅝	15¾	17¼	17⅞	Sunday.		15½	15⅝
26	Sunday.		14⅝	**15⅛**	15¾	16¼	17⅝	17⅝	18⅛	18⅜	15½	15¾
27	13⅝	14	14½	14⅞	15⅞	16½	Sunday.		17⅞	18¼	15½	15⅞
28	13¾	14⅛	14¼	14¾	16⅜	16¾	17	17⅝	18¼	18½	15¼	15¾
29	13¾	14	...	...	16½	17	**16¾**	17⅛	18⅛	18½	Sunday.	
30	13⅝	14	...	...	Sunday.		16⅞	17¼	* * *		15⅜	15⅝
31	13⅝	13⅞	...	...	16¾	**18⅛**	...	...	17¾	18⅛	...	...

	July, 1873.		August, 1873.		Sept. 1873.		Oct. 1873.		Nov. 1873.		Dec. 1873.	
1	15⅛	15½	15¼	15¾	15½	16	10⅜	**11½**	8⅛	8¾	8¾	9
2	**15**	15⅝	15⅜	15½	15¾	**16⅛**	10½	10⅞	Sunday.		**8⅝**	9⅛
3	15⅛	15¼	Sunday.		15⅞	16⅛	9¾	10⅜	7½	8¼	8⅞	9¼
4	* * *		15¼	15½	15⅝	15⅞	9⅞	10¼	* * *		8⅝	9
5	No Board.		15¼	15½	14½	15½	Sunday.		6⅞	7⅜	9⅛	9⅝
6	Sunday.		15⅜	15⅝	12⅞	14½	9¾	10¼	**6⅛**	7	9¼	9⅝
7	15⅛	15⅝	15⅜	15⅝	Sunday.		10⅛	10⅜	6¼	7½	Sunday.	
8	15¼	15⅝	15¼	15½	12	12⅞	9⅝	10¼	7	7⅞	9	9½
9	15⅝	15⅞	15⅜	15½	11⅝	12¼	9	9⅝	Sunday.		9⅛	9½
10	15⅝	15⅞	Sunday.		**10⅞**	11½	8⅝	9	7¼	7¾	9¼	9⅝
11	15¾	16⅛	15⅜	15½	11	11¾	8⅛	8½	7¼	7⅝	9⅝	9⅝
12	15⅞	16⅛	15⅛	15⅜	11¼	11⅞	Sunday.		7	7½	9⅝	10¼
13	Sunday.		15⅛	15⅜	11¾	12	8⅛	8⅝	7⅝	8¼	9¾	10¼
14	15¾	16	14⅝	15¼	Sunday.		8⅝	9⅜	8¼	9⅞	Sunday.	
15	15⅝	16	**14⅝**	15	11	11⅝	8¼	9⅛	8⅞	10	10⅜	11½
16	15⅞	16⅛	14⅞	15⅜	11	11⅝	**7⅝**	8½	Sunday.		11½	**12⅜**
17	15¾	16	Sunday.		11⅛	11⅝	7¾	8¼	9¼	9⅞	11⅝	12¼
18	15¾	16⅛	15¼	15⅝	11¼	12⅞	8¼	8⅝	9¼	10¼	11⅜	12
19	15⅞	16⅛	15⅜	15⅝	11½	13⅛	Sunday.		9⅛	9⅞	10⅞	11¾
20	Sunday.		15⅜	15½	11⅛	12⅝	8	8⅝	8⅝	9¼	10⅛	10¾
21	16	16⅜	15⅜	15⅝	Sunday.		8¼	8¾	9⅝	10¼	Sunday.	
22	16	**16⅜**	15¾	16⅛	†		8¼	8½	9¾	**10½**	10⅛	10¾
23	15¾	16⅛	15¾	**16¼**	11⅜	12¼	8⅜	8⅝	Sunday.		9⅞	10⅜
24	15⅝	15⅞	Sunday.		11⅝	12⅛	8½	8¾	9⅝	10	9¾	10⅛
25	15⅝	15¾	15¾	16⅛	11⅛	11⅝	8⅜	8¾	9⅛	9⅝	Christmas.	
26	15½	15¾	15⅜	15¾	11½	14½	Sunday.		8⅞	9¼	9⅛	10¼
27	Sunday.		15⅛	15½	13¼	15½	8⅛	8⅝	Holiday.		10	10¾
28	15½	15¾	15¼	15½	Sunday.		8⅛	8⅝	9¼	9¾	Sunday.	
29	15⅝	15⅞	15⅛	15¾	11¾	13¼	8¼	8¾	8⅝	9⅛	10	10½
30	15¾	15⅞	15¼	15½	11⅝	12½	8¼	8⅝	Sunday.		10	10⅜
31	15⅝	15⅞	Sunday.		...	...	8⅛	8½	...	...	10¼	10½

* Holiday in State of New York.

† Sept. 22. The Gold Exchange was closed for purchases and sales on account of the financial difficulties; the rate fixed for settlement of the day was 112.

BANKING AND FINANCIAL ITEMS.

THE BANKER'S ALMANAC for 1874 is now published and ready for delivery. Price $3.00. The lists of Banks and Bankers have undergone an unprecedented number of changes and additions since the last issue. Interleaved copies will be furnished to order, at $1 extra.

THE NEW YORK CLEARING-HOUSE ASSOCIATION.—The annual meeting of the Clearing-House Association was held January 5th at the MERCHANTS' BANK. The following officers were elected for the ensuing year:

Chairman.—CHARLES F. HUNTER.

Secretary.—M. F. READING.

Clearing-House Committee.—J. D. VERMILYE, E. H. PERKINS, Jr., MOSES TAYLOR, HENRY F. VAIL, ROBERT BUCK.

Committee on Conference.—W. L. JENKINS, N. A. FALLS, G. G. WILLIAMS, J. LEE SMITH, C. P. LEVERICH.

Nominating Committee.—R. P. PERRIN, RICHARD BERRY, J. M. MORRISON, S. R. COMSTOCK, and J. D. FISH.

The Manager's report showed the transactions for the year ending October 1, 1873, to amount to $36,929,521,049, an average of $114,788,058 per day. The total transactions of the Clearing House since its organization (twenty years) amount to $387,581,764,227. The Loan Committee reported that all the certificates had been retired excepting $550,000, the total amount issued having been $26,565,000. Of this balance $250,000 have been called in, and will be canceled, leaving but $300,000 outstanding, which will be retired in the course of a week. The sum resulting from the tax of ¼ per cent. upon the certificates of indebtedness was found to amount to about $60,000. Of this, $10,000 was donated to the Bank Clerks' Mutual Benefit Association, and the balance of about $50,000 was added to the reserve fund of the Clearing House as a building fund, making the total reserve $87,000. Resolutions were adopted thanking Mr. CAMP, the manager, for his efficient and valuable services.

New York.—The month of January has brought about the resumption of business in this city by several prominent firms. The old house of GILMAN, SON & Co. resumed payment January 10th, having paid 60 per cent. of its liabilities, and will pay the remaining 40 per cent. on the 1st of February. The resumption is cordially welcomed everywhere, the house being widely and most favorably known. The old firm of HENRY CLEWS & Co., No. 32 Wall Street, are again in active operation, in connection with their London house of Messrs. CLEWS, HABICHT & Co.; FISK & HATCH, No. 5 Nassau Street, have also re-commenced active operations; Messrs. DAY & MORSE, Wall Street, announce a resumption of stock business.

New York.—Among the bank changes are announced the retirement of Mr. JOHN J. DONALDSON from the presidency of the BANK OF NORTH AMERICA, and the election of Mr. WILLIAM DOWD, the Vice-President of the bank, to the vacancy; also the election of HENRY A. KENT as Vice-President. Mr. DONALDSON retires to resume his former business connection with Messrs. H. B. CLAFLIN & Co.

New York.—Mr. NATHANIEL HAYDEN retires from the presidency of the CHATHAM NATIONAL BANK, a position which he has held for fifteen years with advantage to that institution.

New York.—Mr. BENJAMIN B. SHERMAN, a well-known merchant of this city, and for a long time Vice-President of the MECHANICS' NATIONAL BANK, has been chosen President of that institution in place Mr. SHEPHERD KNAPP, who has retired full of years and honors. Mr. SHERMAN is regarded as a very able man, and thoroughly conversant with financial affairs.

New York.—Mr. WILLIAM H. FOSTER, till now of the firm of LEONARD, SHELDON & FOSTER, succeeds Hon. H. H. VAN DYCK, late United States Assistant Treasurer at New York, in the presidency of the NEW YORK LOAN AND INDEMNITY COMPANY, No. 229 Broadway. Mr. VAN DYCK remains in the company as a director. Mr. FOSTER, well known from his long connection with banking, brings ability, experience and high reputation to the office to which he has been elected. Mr. FOSTER was the first Cashier of the BANK OF COMMERCE in Boston, previous to his residence in New York. He was the first Cashier and afterwards Vice-President of the CENTRAL NATIONAL BANK of this city, the success of which was largely due to his character, capacity and connections.

New York.—The trial of ex-Senator WILLIAM M. GRAHAM, on a charge of embezzling the funds of the WALKILL NATIONAL BANK of Middletown, N. Y., of which bank he was President, was before the criminal branch of the U. S. Circuit Court, before Judge BENEDICT and a jury. Assistant U. S. District Attorney PURDY opened the case for the prosecution. He read the section of the United States banking law, inflicting penalties on bank officers for misapplication of funds of National banks. Such application was made a misdemeanor, punishable by not less than five nor more than ten years' imprisonment. In November, 1872, C. H. HORTON, the Cashier of the bank, and the defendant, disappeared, and HORTON, who had left the country, has not since been seen. The bank suspended payment and the directors instituted an investigation. On the directors going to the bank they found a boy in charge, the whole capital of the bank, amounting to $ 123,000, and the deposits, $ 25,000, having disappeared, with the exception of a few hundred dollars. The Comptroller of the Currency had previously written to the defendant about the disordered state of affairs of the bank, and asked for a certificate of a majority of the directors to be forwarded to him as to its condition, and had received an evasive reply from the defendant.

Ex-Judge FULLERTON, counsel for the defendant, said that, after examining the case last night, he had come to the conclusion to interpose no defence, and he would leave the case with the Court. The defendant had had a fair trial, and was now in the hands of the Court and jury. Judge BENEDICT said that on the evidence for the government, no defence being made, and it having been established that the defendant had drawn out money belonging to the WALKILL BANK from the FIRST NATIONAL BANK and appropriated it to his own use, it was the plain duty of the jury to convict. The jury found GRAHAM guilty, and he was remanded for sentence.

New York.—The FIRST NATIONAL BANK of New York City has secured the services of Mr. J. A. GARLAND, as manager of its government bond business, and of Mr. F. O. FRENCH (attorney of MCCULLOCH & CO., of London), as manager of its foreign exchange business. The London banking firm of MCCULLOCH & CO. admitted as a member of the firm, January 2, the Honorable RONALDO LESLIE MELVILLE. The head of the house is Mr. HUGH MCCULLOCH, formerly Secretary of the Treasury at Washington.

New York.—Most persons no doubt glanced over the proceedings of the annual meeting of the Clearing-House Association in January, as ordinary news of the day, while to some, one sentence appeared to be printed in letters of gold, and filled their hearts in reading with sentiments of pleasure and surprise. "*Ten thousand dollars presented to the Bank Clerks' Mutual Benefit Association.*" In those few words, expressive of so much good feeling and sympathy in behalf of a movement to provide for the widows and orphans of deceased bank clerks, there is a volume of encouragement to those who have grown old in the service. It will do more than a hundred sermons towards encouraging men to be honest, will put new life into brains and fingers becoming mere machines of labor, awaken personal interest in the business in which each is engaged, and make ten-fold stronger the bond of union between officers and clerks. Let the fact go forth, that in other cities where similar organizations have been established officers of banking institutions may be stimulated to follow this example.

Mr. W. B. MEEKER having resigned the office of Cashier of the BANK OF NEW YORK N. B. A., Mr. RICHARD B. FERRIS has been appointed Cashier, and Mr. EBENEZER S. MASON, Assistant Cashier, on the 31st December, 1873.

ARKANSAS.—THE EVIDENCE OF A PROMISE.—No. 177. ALLEN *et al. v.* FERGUSON. Error to the Circuit Court for the Eastern District of ARKANSAS. This was a suit on a promissory note made by FERGUSON. The defense was his discharge in bankruptcy. The replication was that, pending the proceedings in bankruptcy, the holders received from FERGUSON a new promise, in writing, to pay the note, and that, relying upon that, they took no steps to collect the amount. This new promise was contained in letters from FERGUSON, in which he said, at different times, "The debt shall be adjusted," "The debt will be settled," "The matter shall be arranged," &c., &c. The Court sustained a demurrer to the replication, and the decision is here affirmed; this Court holding that the words in the letters did not amount to evidence of a promise to pay.

COLORADO.—The FIRST NATIONAL BANK of Central City has commenced operations, with a capital stock of $50,000. President, JOSEPH A. THATCHER; Cashier, FRANK C. YOUNG. Their New York correspondent is the CHEMICAL NATIONAL BANK. They succeed the banking house of THATCHER, STANDLEY & Co.

INDIANA.—The Hon. THOMAS N. STILLWELL, President of the FIRST NATIONAL BANK of Anderson, was shot, January 14th, and instantly killed by JOHN E. CORWIN. A few days ago STILLWELL was indicted by the Grand Jury for embezzlement, and believed CORWIN to be the cause of it. STILLWELL's bank failed during the recent panic, and a dispute in regard to a special deposit of $14,000 in seven-thirty bonds led to the altercation. STILLWELL proceeded to CORWIN's office and is said to have attacked CORWIN, who shot him in self-defence.

KANSAS.—The GERMAN BANK of Atchison was organized in December, with a paid capital of $50,000. President, GEORGE STORCH; Cashier, JOHN BELZ. Their New York correspondent is the MERCHANTS' EXCHANGE NATIONAL BANK.

LOUISIANA.—The interest coupons on the bonds of the State, to the amount of $250,000, became due and payable January 2d. On inquiry of the fiscal agent of the State we learned that there were no funds on hand applicable to the payment of the coupons; that the schedule of interest had not been furnished him, as was customary. From this state of facts it became very evident that the State will be in default on its interest coupons.—*New Orleans Picayune.*

THE NEW ORLEANS CHAMBER OF COMMERCE have recommended the following constitutional amendments: 1. One limiting the State debt to $15,000,000; no increase to be made until after the year 1900. 2. No further increase whatever of city, parish or other municipal indebtedness. 3. No State aid, in any form, for any purpose, nor any monopolies. 4. No more State license taxes. 5. No property to be assessed for more than its cash value at forced sales. 6. Assessors and collectors of taxes to be paid by salaries. 7. A limitation of legislative expenses to say $100,000 per annum. 8. A limitation of State taxation to one per cent. per annum.

MAINE.—THE MAINE SAVINGS BANK LAW.—In the House of Representatives, January 15th, orders were passed restricting Savings banks investments to bonds of the UNITED STATES and New England States, National bank stock, New England railroad bonds and first mortgages on real estate; also forbidding the cashiers of National banks to be treasurers of Savings banks.

MAINE.—The President of the FIRST NATIONAL BANK OF LEWISTON publishes a card saying that irregularities have been discovered in connection with some transactions of the late Cashier, but that the bank loses nothing. The published statements of the amount of the irregular transactions are exaggerated.

MARYLAND.—The total of the public debt of the State at the close of the fiscal year amounts to the sum of $10,741,215. The debt has been increased during the fiscal year by the sum of $65,000 Defence Loan, issued under Act of 1868.

chapter 235, to reimburse the treasury to that extent—for advances from the general revenue accruing from taxes and other sources appropriated from time to time toward the payment of bounties—in order to raise the funds necessary to meet the demands of the County Commissioners of St. Mary's County, for one-half of the State's subscription to the stock of the Southern Maryland Railroad Company. The productive and unproductive stocks in which the money of the State has been from time to time invested, shows the productive amount to be $ 4,455,464. The investments of the State which are now unproductive amount to $ 21,608,094. There is also a large amount due from collectors, sheriffs, and various corporations, which, when collected, will under existing laws be available to the ordinary requirements of the treasury and the reduction of the public debt. The Chesapeake and Ohio Canal, of whose stock so large a share of the unproductive investments of the State consist, is gradually paying off the accrued interest on the preferred bonds, and makes an exhibit which promises at not a very distant period of time to return something to the State.

Baltimore.—The funded debt of the City of Baltimore, being on October 31st, 1872, $ 25,964,425, was increased during the year by the following loans, viz:

Jones' Falls Loan, year 1900	$ 184,700
City Hall Loan, 1900	345,700
Valley R. R. Loan, 1886	387,800
Patterson Park Extension Loan, 1892	200,000
Funding Loan, 1900	26,300
Total funded debt....	$ 27,108,925

The guaranteed debt has been reduced $ 653,500 by the purchase and cancellation of that amount of the bonds of the Northwestern Virginia Railroad Company, guaranteed by the City of Baltimore, due and payable January 1, 1873.

Baltimore.—The value of the estate of the late JOHNS HOPKINS, President of the MERCHANTS' NATIONAL BANK OF BALTIMORE, amounts to $ 10,000,000. Of this amount $ 2,500,000 is bequeathed to Johns Hopkins University; $ 3,500,000 to Johns Hopkins Hospital; $ 20,000 to the Baltimore Manual Labor School; $ 10,000 to the Maryland Institute for the Academy of Design; $ 10,000 to the Baltimore Home of the Friendless; $ 10,000 to the Baltimore Orphan Asylum; and the rest to his children and relatives. The public bequests of Mr. HOPKINS are large in amount, and are devised with a liberal spirit that has made them free gifts and left the trustees unhampered by such restrictions in detail as too often defeat the main objects of testators. The bequests should give to Baltimore two model institutions—a University complete in all its departments, and a Hospital which recognizes at its inception the advances recently made in sanitary science. The monuments thus erected will speak with a living tongue of the liberality of their founder, and will at the same time benefit the city where, by his industry, JOHNS HOPKINS acquired the means with which they are to be built and maintained.

MASSACHUSETTS.—Mr. ALMARIN TROWBRIDGE was, on the 1st January last, appointed Cashier of the UNION NATIONAL BANK of Boston, in place of Mr. LEMUEL GULLIVER.

Lowell.—A meeting of the directors of the WAMESIT NATIONAL BANK was held January 10th, when it was voted that the charges made by the examiner had been proved, and a vote of thanks was tendered him for bringing the matter to their attention and persistently pursuing it to the present result. The directors passed the following vote and resolution:—

At a meeting of the directors held this day, it is voted: That under the circumstances we do not consider it for the interest of the WAMESIT NATIONAL BANK to continue J. H. BUTTRICK as Cashier of the bank; thereupon

Resolved, That J. H. BUTTRICK be and hereby is dismissed from the cashiership of this bank.

From the report made to the directors by Colonel NEEDHAM, the bank examiner, it appears that BUTTRICK, the cashier, has been in the habit of using, unlaw-

fully, money belonging to the bank, but fortunately it has lost nothing. Much credit is due Colonel NEEDHAM for his persistent and thorough examination, and his statement will relieve the public mind of the anxiety that has existed since the irregularity became known.

Public Debt.—The following statement exhibits the amount and character of the Massachusetts State debt at present:—

Funded debt, January 1, 1873		$27,692,704
Retired during the year		418,500
Balance outstanding		$27,274,204
Additions during the year:—		
Tunnel loan—Sterling scrip	$798,600	
Dollar bonds	400,000	
New State prison loan	5,000	
		$1,203,600
Present funded debt, January, 1874		$28,477,804
Classifications of outstanding liabilities:—		
Railroad loans	$14,501,616	
War loans	13,226,188	
Ordinary loans	750,000	
Total		$28,477,804

Instalments of the funded debt amounting to $544,000 will mature during the present year, viz.: Of the Union fund loan, $300,000; State-house enlargement loan, $100,000; almshouse loan, $50,000; and the Taunton lunatic hospital loan, $94,000. All these are payable from their several sinking funds, the last three being the only outstanding instalments of the loans they represent. While the five-twenty bonds of the U. S. bearing six per cent., are quoted at 91 *a* 93, the FIVE per cent. bonds of MASSACHUSETTS are quoted at the end of the year 1873, at 94 *a* 96.

MICHIGAN.—The MUSKEGON NATIONAL BANK declared, on December 29th, a dividend of 6 per cent. on its capital stock of $225,000, and carried $5,000 to surplus account out of the net earnings of the six months, ending December 31st, 1873.

MISSOURI.—Statement of the banks in the City of St. Louis, on the first of January, 1874. Compiled from public and private statements, by E. CHASE, Manager of Clearing House.

7 National banks. Bonds deposited, $4,312,850. Circulation, $3,679,440.

Banks.	*Capital and Surplus.*	*Aggregate Deposits.*	*Loans and Discounts.*	*Cash and Exchange.*
7 National Banks	$7,681,721 39	$6,038,354 79	$9,590,145 24	$3,523,026 70
32 Other Banks	10,323,070 32	25,868,989 93	26,702,742 45	7,539,314 11
39 Banks, members of the Clearing House	18,004,791 71	31,907,346 72	36,292,887 69	11,062,340 81
21 Banks, not members of the Clearing House	1,171,803 98	4,479,432 70	4,593,423 83	1,047,080 00
Aggregates of 60 Banks	19,176,595 69	36,386,777 42	40,886,211 52	12,109,420 81
Aggregates 1st of July, 1873	20,589,580 10	42,088,214 59	48,544,501 51	11,903,758 03
Decrease	1,412,984 41	5,691,437 17	7,658,389 99	....
Increase	....	....	....	195,662 78

MISSOURI.—The FIRST NATIONAL BANK OF KANSAS CITY resumed business January 5th, with an addition of $250,000 to their capital, which is now $500,000. The vote of its stockholders to go into voluntary liquidation had

previously been reconsidered, and the resumption is said to have been strongly urged by the business community of Kansas City. The officers remain unchanged.

MISSOURI.—Messrs. J. S. STERLING & SON, of Lebanon, have changed the style of their firm to J. A. STERLING & BRO. The senior partner has retired, and Mr. GEORGE W. STERLING comes into the new firm. Their New York correspondents continue to be Messrs. DONNELL, LAWSON & CO., with whom their transactions during the recent panic have continued uninterruptedly.

NEW HAMPSHIRE.—The affairs of the NATIONAL SAVINGS BANK in Concord, the Treasurer of which, W. W. STORRS, lately proved a defaulter, are now assuming a curious phase. The bondsmen of the Treasurer claim that the defalcation was not in the Savings bank but in the FIRST NATIONAL BANK. The two banks are in the same room, and it is said that the Savings bank had no till, but that the money was dropped into the till of the FIRST NATIONAL BANK and credited on the books of the latter bank. If this view is correct, the bondsmen claim that it will release them. The Bank Commissioners who have been examining the defalcation of the NATIONAL SAVINGS BANK, of which W. W. STORRS is Treasurer, find from the books of the Treasurer that the amount due depositors, according to his figuring, was $ 1.552,471.75, up to January 1, 1874, and that the amount on that date actually due depositors was $1,615,426.48; the difference is $ 62,954.73. The depositors are considered to be amply protected by the Treasurer's bondsmen if the above plea be not sustained. The Commissioners estimate the total deficit in the resources of the bank above the amount of defalcation to be $ 19,212.11, They also consider that a change in the officers of the bank is necessary. They do not impeach the honesty of the Trustees.

New York.—The Bank Department at Albany reports that, during the last fiscal year, the following-named banking associations (six in number) have filed certificates of organization and begun business under the free banking laws of the State; viz.: 1. BANK OF BUFFALO; 2. BANK OF WHITEHALL; 3. BANK OF COMMERCE, in Buffalo; 4. FLUSHING AND QUEENS COUNTY BANK; 5. MANUFACTURERS' BANK OF AMSTERDAM; 6. STATE BANK OF SYRACUSE.

Six banks organized under the National banking act have relinquished that system during the year and adopted the State system, becoming free banks. They are as follows: 1. ATLANTIC STATE BANK, in the City of Brooklyn; 2. BANK OF HAVANA; 3. BANK OF CAZENOVIA; 4. FARMERS AND MECHANICS' BANK, of Rochester; 5. MECHANICS' BANK, Syracuse; 6. ONONDAGA COUNTY BANK, Syracuse. Twelve new State banks have thus been organized during the last year—six of them are entirely new institutions; six are by conversion from National banks.

Utica.—At the meeting of the stockholders of the FIRST NATIONAL BANK of Utica, January 16, it was resolved unanimously to surrender its charter and to close up its business as soon as possible. This was a great surprise to the people generally, as this bank has been a successful institution, and is necessary for the business interests of the community. It is understood that it is the desire to organize a new bank under the laws of the State. They declared a dividend of five per cent.—*Utica Morning Herald.*

OHIO FINANCES AND RAILROADS.—Governor NOYES, of OHIO, in his annual message, has the following on financial matters:—

"The funded debt of the State is as follows: Foreign debt, payable in New York City, $ 8,209,397.10; domestic debt, payable in Columbus, $ 1,665; total, $ 8,211,062.10.

"The local indebtedness of the State on the 1st day of September, 1873, was as follows: Net debt of counties, $3,125,537.27; net debt of townships, including debts created by boards of education other than for separate school districts, $401,510.18; net debt of cities (first and second class), $ 14,527,108.78; net debt of incorporated villages, $ 730,582.38; net debt of school districts (special), $ 1,248,389.71; total, $ 20,033,123.32. Irreducible debt, $4,070,420.96. Aggregate debts in the State, $ 32,314,656.38. The local indebtedness in this statement

is reckoned to September 1, 1873, and the State debt to November 15, 1873. While the State debt during the past year has been reduced $ 372,484 27, the local indebtedness has increased $ 2,442,575.35. And yet the taxes levied for all State purposes (exclusive of the $ 1,500,000 levied for support of common schools, and which goes directly back to the counties to be expended) amounts to only $ 3,977,-859.25. On the other hand, the levy for county and local purposes (including that for common schools) amounts to $ 22,153,493.98. In other words, the levy for State purposes is less than one-sixth of the entire taxation, and that for county and local expenses more than five-sixths. There is certainly a great disparity between these two classes of expenditures, and I submit for the consideration of the General Assembly whether it would not be wise to restrict, by legislative enactment, the power of minor political organizations to create debts and impose taxes."

Of the railroads he says:

It is no uncommon thing for the officers of railroad companies to associate themselves together as the proprietors of fast-freight lines, or in some other like capacity, whereby they are enabled to contract with themselves, so as to secure unwarranted profits at the expense of the stockholders they officially represent and of the people who transact business with the roads. Another difficulty is that these fast-freight lines, not being organized under the laws of OHIO, though doing business within the limits of this State, pay no taxes whatever. One fast-freight line has heretofore owned and used four thousand cars, and all this property escaped taxation in OHIO, although operated in this State. It is worthy of consideration whether or not this evil can be reached and remedied by State or National legislation.

I am informed that it is a custom for many of the railroad companies incorporated by the laws of OHIO to keep their transfer books on Wall Street, in the city of New York; the practical result of which is that when money is borrowed on railroad stock pledged as collateral security, a transfer is made on the books to the banker or broker, who has only a remote interest in the ultimate value of the stock. Speculators and schemers then borrow or hire the proxies on stock so held in pledge, and by voting the same, sometimes enter into transactions to the extent of millions of dollars, involving the validity of railroad securities and affecting the financial interests of many innocent persons. A controlling influence is thus often exerted by men having no pecuniary interest at stake, to the discredit of the whole railroad system and to the prejudice of the public welfare. It would be well for the General Assembly to compel Ohio corporations, under heavy penalties for refusing to obey the law, to keep the transfer books, or duplicates thereof, at some office or place within the limits of the State, and the books should be closed for transfers at least ten days before the annual meeting of stockholders.

PHILADELPHIA—FINANCES OF THE CITY.—The Comptroller's annual report to the Councils, January 15, shows that the total liabilities of the City of Philadelphia are (in round numbers) $ 58,000,000 cash. The receipts during 1873, and including balance on January 1, 1873, were $ 20,000,000; cost of the City departments during 1873, $8,500,000; total expenditures. $ 18,000,000; cash on hand, $ 2,250,-000, which includes Public Building and Sinking Fund balances on January 1, 1874.

PHILADELPHIA.—*Meeting of Jay Cooke & Co's Creditors.*—The creditors of JAY COOKE & Co. met at the Assembly Buildings January 15.

Full statement showing the condition of the firm's affairs was submitted, together with the reports of the Register and Receiver. The exhibits show the total assets of the firm, exclusive of property not yet appraised, to be $ 5,638,335; total liabilities, $ 11,134,878; from which are deducted debts, &c., secured, and separate liabilities, &c., reducing the total liabilities to $ 8,481,646..

At least a thousand persons were present. The most kindly feeling was manifested, and one creditor who offered a resolution which was thought to reflect unjustly upon the individual members of the firm in their private provision for their families, which had been retransferred for the benefit of the creditors, was hissed, and met with cries of "turn him out."

It was voted *(nem. con.)* to place the settlement of the estate in the hands of a trustee and committee of creditors under section 43 of the Bankrupt Act. EDWIN

M. LEWIS, the present receiver of the estate by appointment of the Court, was the only candidate nominated for trustee.

An adjourned meeting was held on January 19, when Register MASON submitted his report saying that the total number of claims proved up to the 12th of January was 1,217. One creditor voted for an assignee, and 594 had voted for Mr. LEWIS as trustee, the amount thus represented being $3,963,802 in currency. Only a fraction over $3,500,000 were represented in the vote cast for the committee, and that not being the necessary three-fourths, no committee had been elected.

Mr. BULLITT said he believed not a single one of the gentlemen who had been named for the committee would look for compensation. The election of a trustee was rendered nugatory by the failure to elect a committee.

Several creditors saying that they had been under misapprehension when voting, the register stated that an opportunity would be given those, if any, who desired to make a change in their votes, to do so, and adjourned the meeting until Thursday, January 22d.

The creditors subsequently held a meeting, at which it was resolved that it is the belief of the creditors present that it is the unanimous wish of the creditors of JAY COOKE & Co. that the estate be wound up by a trustee and a committee in preference to an assignee.

TENNESSEE.—The FRANKLIN ASSOCIATION of Athens has been chartered by the State, and has been for some months in active business. President, JAMES H. HORNSBY; Cashier, M. A. HELM. Their New York correspondent is the BANK OF THE MANHATTAN CO.

TEXAS.—The PARIS EXCHANGE BANK has been organized under the general banking law of the State, at Paris, Lamar county, with a cash capital of $100,000. President, WILLIAM B. AIKEN; Cashier, L. H. WILLIAMS. Their New York correspondent is the NINTH NATIONAL BANK.

Nashville.—The SECOND NATIONAL BANK of Nashville has entered into voluntary liquidation. Collections in their possession are handed over to the THIRD NATIONAL BANK for returns.

VERMONT.—At the annual election of the WATERBURY NATIONAL BANK, held January 13th, Mr. L. HUTCHINS, who has faithfully served as President of this bank and of the old BANK OF WATERBURY since its organization in 1854, declined a re-election on account of his advanced age, being now in his 77th year.

Hon. PAUL DILLINGHAM was elected to fill the vacancy. Mr. DILLINGHAM is an ex-governor of the State. He was one of the commissioners to organize the old bank and also one of its original directors, and has served for twenty years as a director of it and the present bank.

WISCONSIN.—The MANUFACTURERS' NATIONAL BANK of Racine has removed to a large and suitable office, which has been especially fitted up for its accommodation. The bank has now a cash capital of one hundred and fifty thousand dollars, all paid in, and numbers over eighty stockholders among the principal business men of the city. Its card will be found in this number of the BANKER'S MAGAZINE.

LONDON.—The banking firm of PIXLEY, ABELL, LANGLEY & BLAKE was dissolved January 1, and succeeded by the new firm of BLAKE BROTHERS & CO., the members being STANTON BLAKE, EDWARD LANGLEY, and FRANCIS BARRON BLAKE.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from December Number, page 496.)

☞ Additions for this list are solicited from the subscribers to this work.

NEW YORK CITY.

The Corbin Banking Co., 61 Broadway.
George W. King & Co., 74 Broadway.
Meeker, Worden & Co., 48 Wall.
McGinnis Bros. & Fearing, 30 Broad.
Netter & Co., 51 Exchange Place.
Ritchie & Co., 72 Beaver.
M. & S. Sternberger, 44 Exchange Pl.
A. F. Williams & Co., 48 Pine.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Arkadelphia, ARK.	Clark County Bank	Merchants' Exchange N. B.
Pine Bluff, "	Smart, Hudson & Co.	Importers & Traders' N. B.
" "	Trulock Brothers	" " "
Los Angeles, CAL.	Temple & Workman	Drexel, Morgan & Co.
Sacramento, "	C. H. Swift	Merchants' Exchange N. B.
San Diego, "	Commercial Bank	First National Bank.
San Luis Obispo, "	Bank of San Luis, Obispo	Laidlaw & Co.
Santa Clara, "	Bank of Gilroy	Drexel, Morgan & Co.
Boulder, COL.	George C. Corning	Kountze Brothers.
Colorado Springs, "	People's Bank	George Opdyke & Co.
" " "	El Paso County Bank	Drexel, Morgan & Co.
Fort Collins, "	Larimer County Bank	First National Bank.
" "	H. K. & E. B. Yount	Kountze Brothers.
Golden, "	L. J. Smith & Co	Importers & Traders' N. B.
Granada, "	Otero, Sellar & Co	Donnell, Lawson & Co.
Trinidad, "	Las Animas County Bank	Importers & Traders' N. B.
Hartford, CONN.	A. L. Robinson	Glendinning, Davis & A.
Chicago, ILL.	E. E. Bromilow & Co	G. Opdyke & Co.
Byron, "	Junius Rogers	Bank of the State of N. Y.
Mechanicsburg, "	Thompson & Brother	Importers & Traders' N. B.
Mount Pulaski, "	Scroggin & Sawyer	Fourth National Bank.
Odell, "	S. H. Penney	J. R. Shipherd & Co.
Quincy, "	E. J. Parker & Co	Allen, Stephens & Co.
Sullivan, "	Bank of Moultrie County	National Park Bank.
Urbana, "	Gardner, Curtiss & Burpee	George Opdyke & Co.
Booneville, INDIANA.	Boonville Banking Co	Winslow, Lanier & Co.
Logansport, "	Logansport Banking Co	" " "
Lima, "	J. C. Kinney	Third National Bank.
Oxford, "	Farmers' Bank	Allen, Stephens & Co.
Princeton, "	People's Bank	Winslow, Lanier & Co.
Rockville, "	Parke Banking Co.	Walker, Andrews & Co.
Warsaw, "	Lake City Bank	Winslow, Lanier & Co.
Alden, IOWA	Nagel, Birdsall & Co	Ninth National Bank.
Avoca, "	J. W. & E. W. Davis	Allen, Stephens & Co.
Anamosa, "	Shaw, Schoonover & Co	" "
Brooklyn, "	Sterling & Talbott	" "
Clarion, "	R. K. Eastman & Co	" "
Cedar Rapids, "	Farmers' Loan & Trust Co	City National Bank.
Clarinda, "	Read & Farnham	Bank of North America.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Centerville, IOWA	D. C. Campbell & Co	Importers & Traders' N.B.
Clinton, "	Farmers & Citizens' Savings B'k.	....
Corydon, "	Freeland & Clark	Third Nat. Bank, *Chicago*.
De Witt, "	W. H. H. Hart	Allen, Stephens & Co.
Lawler, "	James S. Fletcher	Donnell, Lawson & Co.
Oskaloosa, "	Gibbs Brothers	Gilman, Son & Co.
Red Oak, "	Stoddard & Remick	Saunders & Hardenbergh.
Tipton, "	Charles Hammond	Ninth National Bank.
Atchison, KANSAS	German Bank	Merchants' Exchange N.B.
Beloit, "	Valentine & Ingram	George Opdyke & Co.
Emporia, "	Howard, Dunlap & Co	Importers & Traders' N.B.
Fredonia, "	R. M. Foster & Co	Corbin Banking Co.
Holton, "	Farmers' Bank & Savings Inst.	" "
Hays City, "	H. Krueger & Brother	Fourth National Bank.
Independence, "	Turner & Otis	" "
Peabody, "	R. K. Tabor	Importers & Traders' N.B.
Topeka, "	John D. Knox & Co	Ninth National Bank.
Bowling Green, KY.	Nazro & Underwood	Ninth National Bank.
Murray, "	Hale, Jones & Co	Norton, Slaughter & Co.
North Middletown, "	N. M. Deposit Bank	Ninth National Bank.
Shreveport, LA	Amer. Cotton & Banking Co	Swenson, Perkins & Co.
Boston, MASS	The Corbin Banking Co	Corbin Banking Co.
" "	Worster & Babson	White, Morris & Co.
Greenfield, "	R. A. Packard	Importers & Traders' N.B.
Almont, MICHIGAN	C. Ferguson & Son	Mercantile National Bank.
Burr Oak, "	D. F. Parsons	Allen, Stephens & Co.
Calumet, "	Merchants & Miners' Bank	Third National Bank.
Detroit, "	G. W. Balch & Co	Fourth National Bank.
Grand Ledge, "	Exchange Bank	First National Bank.
Grand Rapids, "	Randall, Groff & Darragh	Importers & Traders' N.B.
Ludington, "	James Blain, Yerkes & Co	First National Bank.
Lyons, "	W. H. Freeman	Importers & Traders' N.B.
Middleville, "	Bowne, Coombs & Co	Ninth National Bank.
Niles, "	I. S. Tuttle	Allen, Stephens & Co.
Oliver, "	G. W. Keyes	Ninth National Bank.
Orrville, "	Brenneman & Horst	Importers & Traders' N.B.
Ovid, "	Sowers & White	" "
Romeo, "	Giddings & Moore	" "
Reading, "	Chapman & Co	First National Bank.
Vermontville, "	Homer G. Barber	Importers & Traders' N.B.
Dodge Center, MINN.	C. Hardin & Son	Ninth National Bank.
Kasson, "	C. Hardin & Son	Gilman, Son & Co.
Spring Valley, "	Exchange Bank of S. V	National Park Bank.
" "	Farmer Brothers & Easton	Ninth National Bank.
Winnebago City, "	Easton & Armstrong	Ninth National Bank.
Worthington, "	Elihu Smith	First Nat. Bank, *St. Paul*
West Point, MISS	G. W. Foster & Co	Fourth National Bank.
St. Louis, MO	South St. Louis Savings Bank	German-American Bank.
Carthage, "	Jasper County Bank	Donnell, Lawson & Co.
Concordia, "	Concordia Savings Bank	Valley N. B., *St. Louis*.
Hannibal, "	J. R. Winchell	Importers & Traders' N.B.
Holden, "	M. A. Plumer	Donnell, Lawson & Co.
Kansas City, "	Missouri Valley Bank	Winslow, Lanier & Co.
" "	The Watkins Bank	Hanover National Bank.
Kirksville, "	Kirksville Savings Bank	Donnell, Lawson & Co.
Lebanon, "	I. A. Sterling & Brother	" "
Maryville, "	Nodaway Valley Bank	Fourth National Bank.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Mexico, Mo	Mexico Savings Bank	....
St. Joseph, "	Bank of St. Joseph	George Opdyke & Co.
" "	St. Joseph F. & M. Ins. Co	Donnell, Lawson & Co.
Virginia City, MON.	C. L. Dahler	Donnell, Lawson & Co.
Kearney Junct'n, NEB.	Dake, Andrews & Co	Kountze Brothers.
Tekamah, "	A. Castettar & Co	" "
Norfolk, "	J. & C. P. Mathewson	Saunders & Hardenberg.
Hamilton, NEVADA	White Pine County Bank	Wells, Fargo & Co.
Pioche, "	State Bank of Nevada	Laidlaw & Co.
Dover, N. J	Miners' Savings Bank	*(None.)*
Addison, NEW YORK	Baldwin & Williams	National Park Bank.
Buffalo, "	Bush & Howard	Bank of North America.
Butternuts, "	J. R. Brewer	Loaner's Bank.
Cortland, "	Cortland County Bank	German-American Bank.
Marathon, "	Tripp & Adams	National Trust Co.
Oneonta, "	D. Wilbur	Ninth National Bank.
Palmyra, "	H. P. Knowles & Co	First National Bank.
Walden, "	Exchange Bank of Walden	Loaner's Bank.
Walton, "	Delaware County Bank	National Park Bank.
Whitehall, "	Bank of Whitehall	Fourth National Bank.
Williamstown, "	W. H. Steele & Co	Ninth National Bank.
Cleveland, OHIO	Carlton & Lee	Drexel, Morgan & Co.
East Liverpool, "	E. Liverpool Banking Co	Third National Bank.
Girard, "	Girard Savings Bank	Duncan, Sherman & Co.
Jackson, C. H., "	Iron Bank of Jackson	Kuhn, Loeb & Co.
Lima, "	Allen County Bank	Third National Bank.
Middleport, "	Citizens' Bank	Central National Bank.
Nevada, "	Nevada Deposit Bank	First National Bank.
North Amherst, "	Spitzer Brothers	Importers & Traders' N.B.
Plymouth, "	Exchange Bank	Central National Bank.
Toledo, "	Farmers & Traders' Bank	Importers & Traders' N.B.
Everett, PENN	Bedford County Bank	C. Camblos & Co., *Phil.*
Franklin, "	Franklin Savings Bank	Winslow, Lanier & Co.
Latrobe, "	Citizens' Banking Co	National Park Bank.
Litiz, "	Deposit Bank	National Trust Co.
Mahanoy City, "	Citizens' Safe Deposit Bank	Farm. & Merch' N. B. *Phil.*
New Castle, "	Folz & Sons	Central National Bank.
Pittsburgh, "	Franklin S. B'k & Safe Deposit Co.	National Park Bank.
" "	Penn Avenue Trust Co	Central National Bank.
" "	United States Bank	National Park Bank.
" "	D. G. Swartz	Glendinning, Davis & A.
Providence, "	Citizens & Miners' S. B. & T. Co.	Importers & Traders' N.B.
Shenandoah, "	Shenandoah Valley Bank	Girard N. B., *Phila.*
Titusville, "	A. A. Pierce & Son	First National Bank.
West Chester, "	Gheen, Morgan & Co	Darlington & Marshall, *Ph.*
Athens, TENNESSEE	Franklin Association	B'k of the Manhattan Co.
Bristol, "	Br. Exchange Bk. of Goodson, Va.	National Park Bank.
Austin, TEXAS	Forster, Ludlow & Co	Kountze Brothers.
Bonham, "	Poak & Jones	Donnell, Lawson & Co.
Clebourne, "	T. D. Lorance	Ninth National Bank.
Columbus, "	J. H. Simpson & Co	Swenson, Perkins & Co.
Dallas, "	Tompkins & Littlefield	Allen, Stephens & Co.
Denison, "	Merchants & Planters' Bank	Donnell, Lawson & Co.
Houston, "	Peter Flack	Ninth National Bank.
Jefferson, "	Citizens' Savings Bank	Swenson, Perkins & Co.
Paris, "	Paris Exchange Bank	Ninth National Bank.
" "	J. W. Broad	" "

Place and State,	*Name of Bank.*	*N. Y. Correspondent.*
Chatham, VA	Chatham Savings Bank	J. J. Nicholson & Sons,
Farmville, "	English & American Bank	First National B'k. [*Balt.*
Grafton, W. VA	Grafton Bank	First National Bank.
Fond du Lac, WIS	German-American Savings Bank	American Exchange N. B.
Hudson, "	National Savings Bank	Third National Bank.
Ozaukee, "	German Exchange Bank	Kuanth, Nachod & Kühne.
Plymouth, "	J. W. Dow & Son	....
Portage, "	Wheeler & Helman	Bank of North America.
Stevens Point, "	Central Bank	Ninth National Bank.
Evanston, WYOMING	Mutual Exchange Bank	Kountze Brothers.
Hamilton, CANADA	Baker & Hebert	Morton, Bliss & Co.
St. Johns, P. Q. "	La Banque de St. Jean	....

BANKRUPTCY OF NATIONAL BANKS.—A most important decision was given, December 30, by Judge BLODGETT, of the United States District Court, in the case of the MANUFACTURERS' NATIONAL BANK of Chicago, to the effect that a National bank cannot be thrown into bankruptcy. The court held that the sections of the National Currency Act which provide for the appointment by the Comptroller of the Currency of a Receiver, in cases where the solvency of the bank is in question, were not superseded by the National Bankrupt Law passed two years subsequent. If this decision is sustained by the Supreme Court of the UNITED STATES, there is no mode of procedure against a National bank that refuses to pay its depositors but in an action of debt, according to the usual process prior to the passage of the Bankrupt Law.

The National Currency Act, however, provides no test of the general character of the bills receivable held by a National bank, and in view of this defect of the law it appears that if National banks are exempt from the provisions of the National Bankrupt Law, they may really be insolvent and yet cannot be thrown into bankruptcy like other debtors.—*Chicago Tribune.*

DEATHS.

In BALTIMORE, MD., Wednesday, December 24th, aged seventy-eight years, JOHNS HOPKINS, President of the MERCHANTS' NATIONAL BANK, of Baltimore.

In CAMDEN, N. J., Wednesday, November 19th, aged forty-three years, JAMES MERRELL, Secretary of the NATIONAL TRUST COMPANY of NEW YORK City.

At PROVIDENCE, R. I., on Saturday, December 27th, aged seventy-three years, WILLIAM S. PATTEN, Cashier of the MANUFACTURERS' NATIONAL BANK of Providence for forty-two years.

CHANGES OF PRESIDENT AND CASHIER.

DECEMBER, 1873, AND JANUARY, 1874.

(Monthly List; continued from November No., page 401.)

Banks are requested to furnish prompt notice of any future changes.

NEW YORK CITY.

Name of Bank.	*Elected.*	*In place of*
Bank of North America	William Dowd, *Pres.*	John J. Donaldson.
" " "	Henry A. Kent, *Vice-Pr.*	William Dowd.
Mechanics' National Bank.	Benjamin B. Sherman, *Pr.*	Shepherd Knapp.
Produce Bank	Samuel Conover, *Cash.*	J. Z. Westervelt, Jr.
Loaner's Bank	Arthur D. Russell, *Cash.*	....
Security Bank	Benjamin H. Dewey, *Cash.*	Henry D. Lewes.
Merchants' Exch. B., San Fran., CAL.	C. W. Kellogg, *Pres.*	Levi Storms.
People's Bank, Pueblo, COL.	C. H. Blake, *Pres.*	E. W. Railey.
N. Pahquioque B., Danbury, CONN.	Barnabas Allen, *Pres.*	*Aaron Seeley.
Uncas Nat. Bank, Norwich, "	J. S. Ely, *Cash.*	James A. Hovey.
Georgia Nat. Bank, Atlanta, GA.	I. A. Lapham, *Pres.*	John Harris.
Central Georgia Bank, Macon, "	R. W. Jemison, Jr., *Cash.*	*T. W. Mangham.
Cook County N. B., Chicago, ILL.	Albert West, *Cash.*	C. G. Bulkley.
International Bank, " "	S. Ettlinger, *Cash.*	F. A. Hoffman.
Farmers' National B'k, Warren, "	S. A. Clark, *Cash.*	W. C. Sears.
Ft. Wayne N. B., Ft. Wayne, IND.	Stephen B. Bond	*Charles D. Bond.
Meridian N. B., Indianapolis, "	Wm. P. Gallup, *Pres.*	*John H. Farquhar.
First Nat. Bank, New Albany, "	Jesse J. Brown, *Pres.*	Wm. S. Culbertson.
Pacific N. B., Council Bluffs, IOWA.	John Beresheim, *Cash.*	Albert West.
Lawrence Sav. B., Lawrence, KAN.	C. S. Treadway, *Cash.*	J. K. Rankin.
Second Nat. B., Leavenworth, "	A. M. Clark, *Pres.*	J. C. Stone.
Shawnee County B'k, Topeka, "	A. C. Huidekoper, *Pres.*	W. D. Terry.
Farmers' Nat. B., Richmond, KY.	C. F. Burnam, *Pres.*	Daniel Breck.
Owensboro Sav. B., Owensboro, "	T. S. Anderson, *Pres.*	R. Bransford.
Bank of Kentucky, Louisville, "	James A. Leech, *Cash.*	E. D. Morgan.
Br. B. of Louisville, Flemingsb'g, "	Geo. S. Fleming, *Pres.*	S. Stockwell.
Teutonia N. B., New Orleans, LA.	J. R. Wildermann, *Pres.*	Charles Puthoff.
Bank of America, " "	Edgar Hincks, *Cash.*	J. E. Pascal.
Mechanics & Traders' B., " "	Auguste Bohne, *Pres.*	W. C. Robinson.
Southern Bank, " "	Julian Garr, *Cash.*	Charles Livaudais.
Bank of Lafayette, " "	James Strawbridge, *Cash.*	James L. Watt.
Merchants' N. B., Baltimore, MD.	A. H. Stump	*Johns Hopkins.
Second Nat. B., Cumberland, "	Lloyd Lowndes, Jr., *Pres.*	A. P. Shepherd.
Andover Nat. B., Andover, MASS.	John L. Taylor, *Pres.*	John Flint.
Merchants' Nat. B., Lowell, "	C. W. Eaton, *Cash.*	J. N. Pierce, Jr.
Hingham Nat. B., Hingham, "	J. S. Tileston, *Cash.*	I. O. Lovett,
Oxford National B., Oxford, "	S. C. Paine, *Pres.*	C. A. Angell.
" " " "	C. A. Angell, *Cash.*	W. Olney.
Franklin Co. N. B., Greenfield, "	Henry K. Simons, *Cash.*	R. H. Packard.
First Nat. B., Northampton, "	W. B. Hale, *Pres.*	Joel Hayden.
Nat. Union Bank, Fall River, "	Cook Borden, *Pres.*	*Jesse Eddy.
Nat. Union Bank, Boston, "	Almarin Trowbridge, *Cash.*	Lemuel Gulliver.
First Nat. Bank, Biddeford, ME.	Thomas H. Cole, *Pres.*	Charles C. Sawyer.
Frontier Nat. Bank, Eastport, "	S. B. Hume, *Pres.*	O. S. Livermore.

* Deceased.

Name of Bank.	*Elected.*	*In place of.*
First Nat. Bank, Buchanan, MICH.	G. W. Devin, *Pres.*	S. M. Fulton.
Nat. Marine Bank, St. Paul, MINN.	O. B. Turrell, *Pres.*	N. Bradley
" " " "	F. C. Howes, *Cash.*	F. M. Roser.
Columbus Loan & Bkg. Co., MISS.	J. M. Billups, *Pres.*	A. S. Humphries,
Bank of St. Louis, St. Louis, MO.	Aug. Bock, *Cash.*	William Albright.
Union Nat. Bank, " "	T. H. Larkin, *Pres.*	R. Aull.
Carondelet S. B., " "	H. J. Fisher, *Cash.*	A. Holthaus.
People's Sav. B., Chillicothe, "	S. McWilliams, *Pres.*	James McFerran.
Knox County Sav. B., Edina, "	H. R. Parsons, *Cash.*	A. Davidson.
Fayette Bank, Fayette, "	Thomas J. Payne, *Pres.*	R. T. Prewett.
" " "	R. P. Williams, *Cash.*	T. J. Payne.
First Nat. Bank, La Grange, "	John N. Hagood, *Cash.*	Thomas Pryce.
National State B., Elizabeth, N. J.	John Kean, *Pres.*	Keen Pruden.
" " " "	J. R. Fairbank, *Act'g Cash.*	A. S. Woodruff.
First Nat. Bank, Jersey City, "	A. H. Wallis, *Pres.*	John. S. Fox.
Union Bank, " "	Wilson A. Dixon, *Cash.*	C. M. Marvin.
Merchants' Nat. B., Newark, "	Gifford F. Parker, *Cash.*	Linus M. Price.
Steuben Co. Bank, Bath, N. Y.	Daniel C. Howell, *Pres.*	A. S. Howell.
White's Bank of Buffalo, "	Frederick Gridley, *Cash.*	A. L. Bennett.
Second Nat. B'k, Cooperstown, "	D. A. Avery, *Cash.*	F. G. Lee.
First Nat. Bank, Morrisville, "	A. M. Holmes, *Pres.*	D. Stewart.
National Bank of Norwich, "	Nelson B. Hale, *Pres.*	*James H. Smith.
First Nat. Bank, Seneca Falls, "	Le Roy C. Partridge, *Pres.*	*Erastus Partridge.
First N. B., Saratoga Springs, "	James M. Marvin, *Pres.*	S. Freeman.
First N. B., Union Springs, "	George W. Winegar, *Cash,*	A. Beardsley.
First Nat. Bank, Watertown, "	G. L. Woodruff, *Cash.*	O. Paddock.
Citizens' Nat. Bank, Yonkers, "	Jonathan Vail, *Pres.*	C. H. Hamilton.
First Nat. Bank, Cleveland, OHIO.	Philo Scovill, *Pres.*	William Hewitt.
First Nat. Bank, Mansfield, "	H. C. Hedges, *Pres.*	W. S. Hickox.
" " " "	Jacob Hade, *Cash.*	R. H. McMann.
First Nat. Bank, Plymouth, "	S. M. Robinson, *Pres.*	H. C. Breckenridge.
First Nat. Bank, Zanesville, "	George H. Stewart, *Cash.*	E. Martin.
First Nat. Bank, North East, PA.	A. F. Jones, *Pres.*	John Greer.
People's Sav. Inst., " "	J. L. Brookins, *Cash.*	G. C. Cleaveland.
National Union Bank, Reading, "	Horatio Trexler, *Pres.*	*David McKnight.
Second Nat. Bank, Allegheny, "	James Lockhart, *Pres.*	John Brown, Jr.
Mechanics' N. B., Philadelphia, "	George H. Stuart, *Pres.*	Joseph G. Mitchell.
Penn Nat. Bank, " "	Thos. P. Stokesbury, *Pres.*	*Elijah Dallett.
Iron Bank, " "	Thomas R. Ash, *Cash.*	H. C. Young.
Shamokin B'k'g Co., Shamokin, "	I. S. Huber, *Cash.*	....
Youghiogeny B'k, Connellsville, "	J. M. Dushane, *Pres.*	M. O. Tintsman.
Commercial N. B., Providence, R. I.	Daniel Day, *Pres.*	*William Comstock.
" " " "	Joshua Wilbour, *Cash.*	S. P. Wardwell.
First Nat. Bank, " "	Horatio A. Hunt, *Cash.*	Joshua Wilbour.
Manufacturers' N. B., " "	Gilbert A. Phillips, *Cash.*	*Wm. S. Patten.
Westminster Bank, " "	A. W. Simons, *Cash.*	G. A. Phillips.
High Street Bank, " "	E. Allen, *Cash.*	C. H. Bassett.
Stones River National Bank, Murfreesboro, TENN.	W. R. Butler, *Pres.*	W. N. Doughty.
	W. N. Doughty, *Cash.*	D. D. Wendel.
First Nat. Bank, Denison, TEXAS.	H. C. Terhune, *Cash.*	W. D. Hutchinson.
First N. B., North Bennington, VT.	S. B. Hall, *Cash.*	C. G. Lincoln.
Waterbury N. B., Waterbury, "	Paul Dillingham, *Pres.*	L. Hutchins.
N. B. of Newbury, Wells River, "	W. H. Cummings, *Pres.*	A. B. W. Tenney.
B'k of Petersburg, Petersburg, VA.	Samuel Stevens, *Cash.*	P. F. Cogbill.
Commercial N. B., " "	Thomas Withers, *Pres.*	Reuben Ragland.
Citizens' Bank, " "	J. Andes White, *Pres.*	S. W. Venable.

* Deceased.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from December No., page 497.)

(Monthly List, continued from December No., page 497.)

NEW YORK CITY.

Austin Baldwin & Co, 74 Broadway (as bankers).
E. H. Biedermann & Co., 22 William.
Austin Corbin, 61 Broadway, (now Corbin Banking Company).
Dean, McGinnis & Co., 30 Broad, (now McGinnis Bros. & Fearing).
A. W. King & Co., 34 Pine, (*suspended*).
Kitchen & Co., 15 Wall, (now Nathan, Kitchen & Co.)
Minis & Carey, 50 Broad.
Putzer & Bernheimer, (now L. Bernheimer).
Sternberger, Netter & Seasongood, 44 Exchange Place.
Whittemore & Anderson, 8 Exchange Court.
Williams & Wilbor, 48 Pine, (now A. F. Williams & Co.)

COLORADO.—Thatcher, Standley & Co., *Central City*, (succeeded by First National Bank).

ILLINOIS.—A. C. & O. F. Badger, *Chicago;* Scroggin, Warner & Co., *Mt. Pulaski*, (now Scroggin & Sawyer); Wagner & Artz, *Oregon*, (now Wagner, Bennett & Artz); R. B. Sutherland & Sons, *Paris;* McCreery & Co., *Rushville.*

IOWA.—Stacy & Walworth, *Anamosa*, (succeeded by Shaw, Schoonover & Co.); Vincen Wood & Co., *Boonsboro;* F. M. Byrkit, *Red Oak*, (succeeded by First National Bank); V. C. Stoddard, *Red Oak*, (succeeded by Stoddard & Remick.)

KANSAS.—Riggs, Dunlap & Co., *Emporia*, (now Howard, Dunlap & Co.)

KENTUCKY.—Northern Bank of Kentucky; Commercial Bank of Kentucky, *Louisville*, *(withdrawn);* Manufacturers' Bank, *Louisville.*

MASSACHUSETTS.—Tower, Giddings & Torrey, *Boston*, (now Tower, Giddings & Co.)

MICHIGAN.—City Bank, *Detroit;* J. C. Darragh & Co., *Ovid*, (succeeded by Sowers & White); Barber & Martin, *Vermontville*, (succeeded by H. G. Barber).

MISSISSIPPI.—Winter & Steele, *Canton.*

MISSOURI.—J. Q. Watkins & Co., *Kansas City*, (succeeded by The Watkins Bank); Geo. S. Baker & Co., *Maryville*, (succeeded by Nodaway Valley Bank).

NEW YORK.—Augustus Paul, *Buffalo*, (*deceased*); Exchange Bank, *Lansingburgh;* C. W. Gibson, *Lima;* Rogers, Knowles & Co., *Palmyra*, (now H. P. Knowles & Co.); H. K. Stevens, *Waterloo.*

OHIO.—H. M. Sinclair & Co., *Bellevue*, *(failed);* Huff & Co., *East Liverpool*, (succeeded by East Liverpool Banking Co.)

PENNSYLVANIA.—Wylie Avenue Savings Bank, *Pittsburgh*, (changed to Smithfield Savings Bank); Brookville Bank, *Brookville*, *(suspended);* A. K. Spurrier & Co., *Lancaster*, *(failed);* Latrobe Banking Co.; Lloyd, Huff & Watt, *Latrobe*, (merged into Citizens' Banking Co.); I. S. Little, *Nicholson;* Allegheny Trust & Banking Co., *Oil City;* Winton, Clark & Co., *Providence*, (now Citizens & Miners' Savings Bank & Trust Co.); Citizens' Bank; Titusville Savings Bank, *Titusville*, (both in liquidation).

SOUTH CAROLINA.—A. W. Repine, *Aiken;* James H. Wilson, *Charleston.*

TENNESSEE.—Second National Bank, *Nashville*, (gone into voluntary liquidation).

TEXAS.—C. Chambers, *Longview*, (removed to Shreveport, La.)

WISCONSIN.—Ebert & Perry, *Fond du Lac*, (now German-American Savings Bank); Beloit National Bank, *Beloit*, (in liquidation); Columbia County Bank, *Portage City*, *(failed).*

NOTES ON THE MONEY MARKET.

NEW YORK, JANUARY 21, 1874.

Exchange on London, at sixty days' sight,* 4.82 *a* 4.83 *for gold.

The calm of the opening year has been succeeded by a period of brisk speculation in the stock market, with a strong inflation in prices (not to say values) of the leading shares. To this end the natural reaction from a previous depression has contributed less than the too evident tendency of legislation towards a further expansion of the paper currency. Experience, prudence and conservatism are, we fear in a minority, and the dangers of carrying more sail, when ballast is what is needed, are recklessly disregarded. It is the time for outspoken and vigorous protest on the part of all who regard sound principles in finance, before effort to stay the impending danger be too late.

A rapid accumulation of deposits in the New York banks is a marked feature of the month. The aggregate is now some $36,000,000 more than that reported at the end of December. With the events of September and October so freshly in mind this full supply at so early a day would seem almost incredible.

From the abundance of money, rates for loans have been ruling at from 5 to 6 per cent., with transactions as low as 4 to 5. Prime mercantile paper is taken at 6½ to 8 per cent.

Under the influences already mentioned the premium on gold has naturally risen, and is quoted at 11⅝ *a* 11¾. The highest point reached this month has been 112 on 10th; the lowest 110⅛ on the 2nd. United States Securities have been strong from the advance in gold and the ease in money, a brisk inquiry from investors prevailing. The latest quotations are as follows:

	Offered.	*Asked.*
U. S. 6s, 1881, Registered	117⅛	117¼
U. S. 6s. 1881, Coupon	118	118¼
U. S. 5-20 Registered, 1862	113¾	—
U. S. 5-20 Coupon, 1862	114⅜	114½
U. S. 5-20 Coupon, 1864	117¼	117½
U. S. 5-20 Coupon, 1865	117⅛	117¼
U. S. 5-20. 1865, J. & J	116	116⅜
U. S. 5-20, 1867, Coupon	117½	117¾
U. S. 5-20, 1868, Coupon	117¼	117½
U. S. 10-40, Registered	112⅞	113⅛
U. S. 10-40, Coupon	114¼	114½
U. S. Cur. Pacifics	114⅞	115
New Fives, 1881	112⅝	113

Foreign exchange is steady on the basis of $4.82 *a* $4.83 per pound sterling for bankers' 60 days' bills, and $4.85½ *a* $4.86½ for do. at short sight. We quote: Bills at 60 days on London, 4.80 *a* 4.82 for commercial; 4.82 *a* 4.83 for bankers; do. at short sight, 4.85½ a 4.86½; Paris at 60 days, 5.27½ *a* 5.21¼; do. at short sight, 5.17½ *a* 5.16¼; Antwerp, 5.27½ *a* 5.21¼; Swiss, 5.27½ *a* 5.21¼; Hamburg and Bremen, 4 Reichsmark, 95 *a* 95¾; Amsterdam, 40⅛ *a* 40¾; Frankfort, 40⅝ *a* 41⅛; Prussian thalers, 71 *a* 71⅞.

Sixty days Bills.	*Oct. 22.*	*Nov. 21.*	*Dec. 22.*	*Jan. 21.*
On London, bankers'	107 *a* 108	106½ *a* 107	108⅜ *a* 108⅝	4.82 *a* 4.83
" commercial	105 *a* 106	105¼ *a* 106	108 *a* 108½	4.80 *a* 4.82
Paris, francs, p. dollar	5.42½ *a* 5.32½	5.42½ *a* 5.31¼	5.28¼ *a* 5.20	5.27½ *a* 5.21¼
Amsterdam, p. guilder	38⅝ *a* 39⅜	38⅝ *a* 39¼	40¼ *a* 40¾	40⅛ *a* 40¾
Frankfort, p. florin	39½ *a* 40¼	39½ *a* 40¼	40⅝ *a* 41⅛	41⅝ *a* 41⅞
Hamburg. p. 4 R'mark	92¼ *a* 93½	92½ *a* 93½	94⅝ *a* 95⅜	95 *a* 95¾
Prussian thalers	69¼ *a* 70⅜	69½ *a* 70⅜	71 *a* 71¾	71 *a* 71⅞

The exhibit of the foreign imports and exports of the country, at the port of New York, is a gratifying one—in fact, the most satisfactory ever made in connection with our foreign commerce. In the month of December, with nearly one and a half millions increase in the receipts of specie, the total imports were still about five and a half millions below the corresponding figures for the same month of 1872.

The following comparative table shows the summary from 1851:

Foreign Imports at New York for Twenty-three Years.

Year.	*Dutiable.*		*Free Goods.*		*Specie.*		*Total.*
1851..........	$ 119,592,264	....	$ 9,719,771	....	$ 2,049,543	....	$ 131,361,578
1852..........	115,336,052	....	12,105,342	....	2,408,225	....	129,849,619
1853..........	179,512,182	....	12,156,387	....	2,429,083	....	194,097,652
1854..........	163,494,984	....	15,768,916	....	2,107,572	....	181,371,472
1855..........	142,900,661	....	14,103,946	....	855,631	....	157,860,238
1856	193,839,646	....	17,902,578	....	1,814,425	....	213,556,649
1857..........	196,279,362	....	21,440,734	....	12,898,033	....	230,618,129
1858..........	128,578,256	....	22,024,691	....	2,264,120	....	152,867,067
1859	213,640,353	....	28,708,732	....	2,816,421	....	245,165,516
1860..........	201,401 683	....	28,006,447	....	8,852,330	....	238,260,460
1861..........	95,326,459	....	30,353 918	....	37,088,413	....	162 768 790
1862..........	149,970,415	....	23,291,625	....	1,890,277	....	174,652,317
1863..........	174,521,766	....	11,567,000	....	1,525,811	....	187 614,577
1864..........	204,128,236	....	11,731,902	....	2,265,622	....	218,125,760
1865..........	212,208,301	....	10,410,837	....	2,123,281	....	224,742,419
1866	284,033,567	....	13,001,588	....	9,578,029	....	306,613,184
1867	238,297,955	....	11,044,181	....	3,306,339	....	252,648,475
1868..........	232,344,418	....	11,764,027	...	7,085,389	....	251,193,834
1869..........	275,779,976	....	14,789,235	....	15,788,462	....	306,357,673
1870..........	289,618,878	....	13,716,500	....	11,864,644	....	315,200,022
1871..........	349,635,398	....	28,878,294	....	6,348,608	....	384,862,300
1872..........	369,083,458	....	57,429,020	....	5,594,208	....	432,106,686
1873..........	293,035,348	....	86,924,877	....	18,605,611	....	398,565,836

Foreign Imports Entered at New York during the Years 1870, 1871, 1872 *and* 1873.

Months.	1870.		1871.		1872.		1873.
January.......	$ 24,725,375	....	$ 28,792,062	....	$ 35,679,496	....	$ 37,803 691
February......	25,367,998	...	35,491,324	....	38,206,143	....	38,860,517
March.........	29,695 633	....	38,696,064	....	39,218,268	....	43,440,621
April..........	29,372,299	....	32 967,661	....	46,443 937	...	37,179,426
May..........	25,284,415	....	34,288,496	....	42,579,240	....	34,616,191
June..........	24,415,094	....	31,598,417	....	30,653,552	....	29,147,536
July	24,805,205	....	31,041,171	....	38,136,235	....	31,173,126
August	30,260,025	....	38,403,205	....	42,987,085	....	32,716,178
September.....	27,495,764	....	33,342,255	....	36,379,005	....	30,648,996
October	22,861,331	....	30,645,757	....	30,919,698	....	37,145,783
November.....	28,117,237	....	24,137,720	....	23,805,522	....	24,151 411
December.....	22,799 646	....	25,458,168	....	27,098,505	....	21,682,360
Total......	315,200,022	....	384,862,300	....	432,106,686	....	398,565,836

The classification for three years past is as follows, the proportion of dry goods being steadily on the decrease:

Classification of Imports at New York.

	1871.		1872.		1873.
Dry goods.................	$ 132,480,777	......	$ 136,831,612	......	$ 114,160,465
General merchandise.......	246,032,915	......	289,680,866	......	265,799,760
Specie....	6,348,608	......	5,594,208	......	18,605,611
Total imports (gold)......	$ 384,862,300	......	$ 432,106,686	......	$ 398 565,836

Turning to the exports, we have the clear gain of nearly sixty-four millions in merchandise and produce from this port. The figures for four years are given below:

Exports from New York to Foreign Ports during the Years 1870, 1871, 1872, 1873.

Mos.	1870.	1871.	1872.	1873.
January....	$ 15,576 558	$ 20,987,087	$ 20,491,366	$ 27,178,539
February...	14,134.402	22,761,808	18,887.826	24,809,446
March	17,464,696	29,709,212	19,243,623	25.552,641
April	16,396,441	28,523,103	21,589,302	29,470,608
May.......	19,600,972	27,635,483	30,731,503	29,196,609
June.......	21,958,345	26,999,876	32,629,762	31,099,322
July.......	33,640,324	29,103,348	37,309,676	35.660,146
August	23,979 572	22,211,824	23,049,891	26,542,058
September..	20,709,324	22,993,622	21,117,433	27,301,667
October....	19 075.760	24,443,118	29,853,892	33,354,285
November..	29,809,609	21.357,126	28,489,169	31,041,724
December. .	21,791.205	21,806,176	25,424,896	27.698,021
Total...	$ 254.137,208	$ 298,531,783	$ 308,818,339	$ 348.905,066

Of the above, specie and bullion constituted the following amounts respectively:

$ 58,191,475	$ 63 865.546	$ 71,959,042	$ 48,659.661

In 1872, with fifty millions increase in the imports over those of 1871, we had only ten millions gain in exports, of which over eight millions were in specie. In 1873, leaving out the specie, the imports have declined over forty-six millions, while the exports have increased sixty-four millions, making a change in our favor, at this one port, of one hundred million dollars in a single year. A similar gain is shown at other ports, and in this favorable statement we have much ground for encouragement and confidence.

The statements below of the New York city banks show the strength of the improvement in financial matters. The exhibit may be called a very satisfactory one.

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5......	$ 257,852,460	$ 12,794,892	$ 65,026,121	$ 32,762,779	$ 202,533,564	$ 466.987,787
Jan. 4, '68..	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69..	259,090,057	20,736,122	48.896.421	34.379,609	180,490.445	585,304,799
Jan. 3. '70..	250,406,387	31,166,908	45.034,608	34,150.887	179,129.394	399,355,375
July 4	276.496,503	31,611 330	56.815.254	33,070,365	219,083.428	562,736,404
Jan. 2, '71..	263,417,418	20,028.846	45.245.358	32,153,514	188.238,995	467,692.982
July 3	296 237.959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72..	270,534,000	25,049.500	40,282,800	28,542,800	200,409,800	561,802,964
July 1	289.002,800	22,795,500	54.951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73..	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3.....	286,879,600	18,612,260	45,802,100	27,501,000	217,168,500	661,411,941
April 7.....	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
July 7.....	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
Sept. 1.....	288,883,000	23,095,200	44,729,300	27,281,900	220,390,300	447,799,948
" 22.....	278.421,700	18,844,600	34,307.900	27.414,200	198,040,100	654,392,916
Ten weeks intermission to Bank Reports.						
Dec. 8....	252,373.500	21,158,600	38,214,000	27,186,100	182.015,300	419,721,752
" 22....	257.191,900	21.987,900	44.567.700	27,125,400	194,116,500	407,892,373
" 29....	258,094,500	23,514,300	44,664.000	26,156,100	195,152,100	344,100,900
Jan. 5, '74..	261,135,400	28,395,600	46,458,100	27,186,300	205,399,500	361,517,913
" 12.....	265,640,000	32,679,100	50,926,600	27,160,300	219,668,000	458,750,821
" 19.....	268,496,500	34,310,000	55,418,500	27,093,800	231,241,100	520,048.977

The Philadelphia banks manifest a wise disposition to profit by the experience of the past few months by enlarging their reserve, instead of expanding their loans as deposits accumulate. Their statements below compare very favorably with those of former years:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868...	$ 52,002,304	$ 235,912	$ 16,782,432	$ 10,639,000	$ 36,621,274
" 4, 1869...	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870...	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871...	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872...	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, " ...	59,659 324	228,338	13,952,002	11,345,868	50 021,793
Jan. 6, 1873...	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, " ...	57,062,437	352,775	10,599,532	11,370,253	42,120,451
April 7, " ...	57,075,617	130,936	9,663,471	11,475,119	40,124 310
July 7, " ...	60,480,403	322,626	14,513,757	11,431,847	48,200,545
Sept. 1, " ...	59 317,093	208,580	13,348,119	11,454,680	45,089,892
" 22, " ...	58,109,410	258,965	12,432,254	11,473,843	43,018,525
Nov. 24, " ...	58,194,000	959,000	14,741,000	11,519,000	45,847,000
Dec. 1, " ...	57,724,144	754,097	14,900,484	11,546,740	45,759,626
" 22, " ...	56,995,318	997,073	15,244,607	11,488,347	45,118 806
" 29, " ...	57,411,126	934,669	14,919,131	11,490,538	46 403 280
Jan. 5, 1874...	57,772,523	1,173,796	15,353,571	11,481,558	48,378,204
" 12, " ...	57,116,587	1,399,249	15,820,746	11,454,997	47,596,336
" 19, " ...	57,659,780	1,141,002	16,229,226	11,448,130	47 860,947

The Boston banks evince in their reports the growing ease in the money market. Deposits and loans have increased. We annex the latest returns and a comparison with former years:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868.....	$ 94,969,249	$ 1,466,246	$ 15,543,169	$ 24 626,559	$ 40,856,022
Jan. 4, 1869.....	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870.....	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871.....	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872.....	115,878,481	4,469,483	9 602,748	25,715,976	46,994,488
July 8	112,164,800	2,740,100	9,471,800	24,877,000	48,875,500

The deposits after this date include the amount due to other banks.

Jan. 6, 1873.....	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3..........	125,088,700	2,253,300	11 507,300	25,485,800	77,272 500
April 7..........	120,001,600	922,600	8,939,300	25,519,400	64,623,200
July 7..........	122,947,000	1 935,400	11,267,600	25,487,700	73,218,900
Sept. 1	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Oct. 6.....	119,468,000	1,363,400	8,308,100	25,948,400	55,913,400
Nov. 3..........	119,788,400	1,849,400	9,045,400	26,139,100	59 399,200
Dec. 1..........	119,483,400	2,612,200	10,559,300	26,049,300	62,779,200
" 22	122,542,300	2,459,700	10,625,800	25,816,700	65,678,600
" 29..........	122,843,000	2,466,500	10,679,400	25,811,400	66,952,400
Jan. 5, 1874.....	124,287,100	3,513,800	10,466,300	25,791 600	70 219,200
" 12.........	124,882,400	4,401,600	10,283,800	25,815,600	71,021,100
" 19.... ...	124 924,900	4,213,300	10,691,500	25,772,900	71 847,900

The following are the nominal quotations representing the price in gold for other coin: Trade dollars, 100 *a* 101; American silver, large, 95 *a* 96½; American silver, small, 95 *a* 97½; Mexican dollars, 99 *a* 100; English silver, 470 *a* 485; Five francs, 90 *a* 92; Thalers, 68 *a* 70; English sovereigns, 484 *a* 487; Twenty francs, 383 *a* 390; Spanish doubloons, 15.80 *a* 16.15; Mexican doubloons, 15.50 *a* 15.65. Fine silver bars, $ 1.25 *a* $ 1.26 per ounce.

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RESUMPTION OF SPECIE PAYMENTS.

WHAT DOES IT MEAN? HOW CAN IT BE ATTAINED?

By a New York City Cashier.

It means a stable and changeless value to our currency, viz.: 100 or par, instead of, as now, an unstable and constantly changing value—to-day 90 per cent. in gold, next week 92, and next month, perhaps, 85.

It means the liberation of both gold and currency from the control of Wall Street speculators and cliques, whose operations in gold have their *real* and *immediate* effect with the whole people, in changing the value and the purchasing power of every dollar of currency in the land.

It means the consequent emancipation of trade,—of all commodities and all property, in greater or less degree,—from unsettled and fluctuating prices, resulting from such speculative operations in gold and the currency.

It means, therefore, the welfare of every person in legitimate calling,—the merchant, the manufacturer, the artisan, the mechanic, and the laborer; all of whom desire their dollars, whether in their

pockets or invested, to be safe from subjection to the schemes of plunderers and speculators.

How Can it be Attained?

The government would obviously be unable to continue to furnish gold at par, unless public confidence should sustain it by acquiescing in that rate as its just currency value.

Therefore, without gold at or near par *previously*, there can be no effective or continued redemption of greenbacks in gold by the government. The government, however, must lead the way, because its promises are to be resumed upon, and because it only can thereby keep gold at par, and so cause it to be used and circulated as money by the people.

The question then to be first solved is,—how can gold be brought to or near par? or, what is synonymous therewith,—how can greenbacks be made equal, in value, to gold?

Contraction of the greenback circulation would speedily effect the end, but with too great monetary distress to the people. There is as sure a road by easier stages, and therefore productive of less financial disorder.

Certain it is, however, that if greenback dollars are ever to become worth gold dollars, the government must cease increasing the greenback issues, and fix an inflexible limit to their amount. The growing population, with its constantly increasing demands and uses for currency, will then gradually cause it to appreciate in value until it shall approximate gold. The inauguration of a regular and systematic redemption in greenbacks of the National bank issues, and the prevention of the excessive flow of interest deposits to New York would be desirable auxiliaries thereto.

The 59 clearing-house banks, of New York, increased in deposits from December 6, 1873, to January 24, 1874, $ 50,000,000. One half, or $ 25,000,000, of this increase, occurred in but 6 of the 59,—these six being those most prominent in paying interest on country accounts. Thus, Wall Street speculators are glutted with money, which, but for this pernicious system, would find use in alleviating the general needs of the interior.

There is a great and universal law, independent alike of governments and individuals, whose workings all are powerless to prevent. Individuals may concoct visionary schemes, and legislatures or Congress may enact laws, yet its silent but resistless force moves toward the attainment of its results as surely as the hours run their course. This law,—of demand and supply,—has always regulated the price of everything in proportion to the abundance or scarcity of money, and will do so in the future. *The value of an irredeemable currency is no less governed thereby*, in proportion as its supply exceeds the amount which can be circulated at the standard of gold. The cry for more currency only demonstrates

that the mass of property is held at too high prices, and that holders are unwilling to find relief at lower rates; nor will they, until the increasing value and demand for currency, with the amount of legal tenders unalterably limited, shall compel them thereto as the only resort to obtain money. We have permitted a stimulated prosperity, and a seeming increase of money, resulting from an over-supply of irredeemable currency, to delude us into extravagant living, hazardous business, injudicious enterprises (especially in railroad building), and their train of debts piled mountain high. We must therefore retrace our steps, unlearn our visionary experience, and realize that it was not our riches or property that had so much increased, but that *their measure*—our dollars—had decreased in value. With the increase, in value, of our dollars, under the operation of this universal law (if a limit be fixed to their issue), property will undergo a gradual *apparent* shrinkage, which must be endured with varying intensity until our paper currency shall become worth its face in gold, and gold itself shall finally cease to be an article of merchandise, and resume its functions, as money, upon resumption by the government. By this rugged path alone can the end be reached, and the entire country must, sooner or later, endure the hardship. Have we moral strength to meet and endure the ordeal now? or shall we proclaim our weakness and folly by burdening the future—intensified by the delay—with what the present should patiently bear?

When will Congress and the people see through the filmy veil of the *apparent* augmentation of property resulting from increased issues of currency, and discern the real and sure effect, viz.: the depreciation of the currency itself? When will they come to understand that the issue of more irredeemable promises can, in no wise, add to the wealth or permanent prosperity of the people, but finds a fitting analogy in the stimulating draught required to appease the drunkard's cravings?

It will be admitted that the only danger to be apprehended from full resumption, **as soon as gold shall have fallen to about par,** arises out of the possibility of its export; therefore, if the government can but control and prevent any excessive demand for this purpose, successful and continued resumption may then be accomplished without increased accumulation in the Treasury.

Can the government adopt such measures as will give it this control? Yes, it can.

Let us pursue this proposition carefully to its results, for, if correct, it demonstrates the simple and practical method of resuming and continuing specie payments, because it affords the government as full control of the money market **after** resumption, as the engineer has of his engine by means of lever or throttle-valve; and consequently the power to prevent excessive exports of gold.

We can, with certainty, anticipate the condition of things which alone can cause gold to approximate par, viz.: continued scarcity of money because of too high general prices for a limited currency to sustain; therefore, retrenchment and economy by the people, their reduced expenditures restricting imports of all save articles of necessity. Exports continue. Gold flowing hither from EUROPE and from our mines will consequently accumulate, and because of its abundance, finally approximate closely to par. Then let the government, by authority of law previously enacted with reference thereto, do two things:

1st. Declare and resume specie payments. The effect will be immediate. Gold is again money, but who wants or demands it? Scarcely any one, for there was a superabundance of it outside the Treasury previous to resumption. Having approached par from the foregoing causes, the people have confidence in the ability of the government to continue, and, therefore, adopt the Frenchman's rule of "You got him, I no want him," and keep their greenbacks in preference to weighty coin.

But money (gold being thus monetized) changes quickly from scarcity to abundance. There is future danger, consequently, of renewed overtrading and importations, and an outflow of our gold.

Therefore, 2d, Let the Government then sell its bonds for greenbacks, and thus withdraw and fund a portion of the greenback circulation to counterbalance the use and circulation of gold as money. Is the question asked, to what extent or how much? The proposition affords its own solution of how much. They should be sold, and the greenbacks retired whenever and as long as greenbacks shall be sufficiently abundant to enable their sale at par. Whenever they shall have become difficult of sale the supply of money will also have become insufficient to permit any undue inflation or excessive imports.

By this process, therefore, the gold will be retained in the country, and we shall not only have commenced, but maintained, resumption. The bonds intended for this purpose should be authorized and in readiness before the act of resumption. They should be of such kind and at such interest, discretionary with the Secretary, as to insure their ready sale whenever money should become so abundant as to be loaned at rates under seven per cent.; —for a proportion of the greenbacks must be withdrawn, and the interest charge must, to some extent, be increased thereby—a small consideration, however, compared with the desirable end to be successfully attained.

Thus is roughly sketched the course of events and emergencies likely to occur. The end, if this course is adopted, seems plain, simple, and safe. As to fears of the return of securities from EUROPE for a market here, they will never be sent here for sale, unless we can offer better prices than can be had in London, Berlin, or Frankfort, which there need be no fear of.

PENNSYLVANIA FINANCES.

The following is the ninth article of the new constitution proposed for adoption in PENNSYLVANIA, and now confirmed by popular vote:

ARTICLE IX.—TAXATION AND FINANCE.

SECTION 1. All taxes shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax, and shall be levied and collected under general laws, but the General Assembly may, by general laws, exempt from taxation public property used for public purposes, actual places of religious worship, places of burial not used or held for private or corporate profit, and institutions of purely public charity.

SEC. 2. All laws exempting property from taxation, other than the property above enumerated, shall be void.

SEC. 3. The power to tax corporations and corporate property shall not be surrendered or suspended by any contract or grant to which the State shall be a party.

SEC. 4. No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection, defend the State in war, or to pay existing debt; and the debt created to supply deficiencies in revenue shall never exceed in the aggregate at any one time one million of dollars.

SEC. 5. All laws authorizing the borrowing of money by and on behalf of the State shall specify the purpose for which the money is to be used, and the money so borrowed shall be used for the purpose specified and no other.

SEC. 6. The credit of the Commonwealth shall not be pledged or loaned to any individual company, corporation, or association, nor shall the Commonwealth become a joint owner or stockholder in any company, association, or corporation.

SEC. 7. The General Assembly shall not authorize any county, city, borough, township or incorporated district, to become a stockholder in any company, association or corporation, or to obtain or appropriate money for or to loan its credit to any corporation, association, institution or individual.

SEC. 8. The debt of any county, city, borough, township, school district, or other municipality, or incorporated district, except as herein provided, shall never exceed seven per centum upon the assessed value of the taxable property therein, nor shall any such municipality or district incur any new debt, or increase its indebted-

ness to an amount exceeding two per centum upon such assessed valuation of property without the assent of the electors thereof, at a public election, in such manner as shall be provided by law; but any city, the debt of which now exceeds seven per centum of such assessed valuation, may be authorized by law to increase the same three per centum in the aggregate at any one time upon such valuation.

SEC. 9. The Commonwealth shall not assume the debt, or any part thereof, of any city, county, borough or township, unless such debt shall have been contracted to enable the State to repel invasion, suppress domestic insurrection, defend itself in time of war, or to assist the State in the discharge of any portion of its present indebtedness.

SEC. 10. Any county, township, school district, or other municipality, incurring any indebtedness shall, at or before the time of so doing, provide for the collection of an annual tax sufficient to pay the interest, and also the principal thereof within thirty years.

SEC. 11. To provide for the payment of the present State debt and any additional debt, contracted as aforesaid, the General Assembly shall continue and maintain the sinking fund sufficient to pay the accruing interest on such debt, and annually to reduce the principal thereof by a sum not less than two hundred and fifty thousand dollars; the said sinking fund shall consist of the proceeds of the sales of the public works or any part thereof, and of the income or proceeds of the sale of any stocks owned by the Commonwealth, together with other funds and resources that may be designated by law, and shall be increased from time to time by assigning to it any part of the taxes or other revenues of the State not required for the ordinary and current expenses of government; and unless, in case of war, invasion, or insurrection, no part of the said sinking fund shall be used or applied otherwise than in the extinguishment of the public debt.

SEC. 12. The moneys of the State over and above the necessary reserve shall be used in the payment of the debt of the State, either directly or through the sinking fund, and the moneys of the sinking fund shall never be invested in or loaned upon the security of anything except the bonds of the UNITED STATES or of this State.

SEC. 13. The moneys held as necessary reserve shall be limited by law to the amount required for current expenses, and shall be secured and kept as may be provided by law. Monthly statements shall be published showing the amount of such moneys, where the same are deposited and how secured.

SEC. 14. The making of profit out of the public moneys, or using the same for any purpose not authorized by law, by any officer of the State, or member or officer of the General Assembly, shall be a misdemeanor, and shall be punished as may be provided by law, but part of such punishment shall be a disqualification to hold office for a period of not less than five years.

THE EUROPEAN MONETARY CONVENTION

Of January, 1874.

From the London Economist, December 27, 1873.

The International Monetary Conference between the four Powers which signed the Convention of 1865 has been fixed for the 8th January. The Italian Government has not yet appointed its delegates, but Belgium will be represented by M. Jacobs as first delegate, and Switzerland by MM. Herzog and Lardy. The French representatives have not yet been named, but in the course of an interesting discussion on the subject which took place in the Assembly on Tuesday, the Minister of Finance mentioned that he had fixed his choice on M. de Soubeyran, who had himself put to M. Magne the question which gave rise to the debate. The object of the conference about to be held is to obtain modifications in the convention, principally in Art. 4, which declares that the silver five-franc pieces of each of the four contracting countries shall be reciprocally received in the public offices of the others, and, failing to obtain a modification on that point, to terminate the convention, the motives for which have now ceased to exist. The convention was the result of the scarcity of small change from the drain of silver during the period 1860 to 1863, which induced the four Governments to remove the temptation to export silver coin by diminishing the intrinsic value of it by reducing the standard of the small change to 835 thousandths. At the same time the four Powers engaged to receive mutually the silver five-franc pieces, and gold coin of all values, both at a standard of 900 thousandths, in the public Treasury of each of the other countries, not foreseeing the eventuality of the relative value of the two metals fixed at 1 to 15½ ever becoming so much disturbed as to create a speculation in the exportation of coin from one country to another under cover of the treaty. The question of the convention is almost inseparable from that of the double standard, and M. de Soubeyran, who is opposed to any change in the latter, fearing that the government might be led into contracting engagements for the future, when the delegates meet, asked M. Magne for an assurance that the subject should be reserved in its integrity for the parliament before any decision was come to, and that the Minister, in appointing the French delegates, would avoid choosing men of preconceived ideas, committed to a change of the present monetary system, which he believed would be at any time a work of difficulty, and at the present moment almost an impossibility. M. de Soubeyran added that even the discussion of the question of single gold standard would be a danger, as the present embarrassments would be

aggravated by the fact going forth to the world that FRANCE contemplated making the change.

M. MAGNE admitted that the danger of an influx of a depreciated coin was very real. It would be in vain for BELGIUM to suspend the coinage of silver, or FRANCE to limit it, if ITALY and SWITZERLAND continued to manufacture it; each country could not protect itself so long as the others had the legal right of sending to it all their silver five-franc pieces. The Minister reassured the fears of M. DE SOUBEYRAN that the question of the demonetization of silver coin might be brought forward in the convention, by informing him that he, M. MAGNE, had selected him, M. DE SOUBEYRAN, as one of the French commissioners in the conference. It would be, he said, a madness at this moment to withdraw from the circulation 1,500 millions of silver specie which was playing so considerable a part in the exchanges. The harmony which should exist between the mass of coin on the one hand, and the mass of business transactions on the other, would be entirely destroyed. There was no gold to take its place, and the silver would be inevitably replaced by paper.

M. WOLOWSKI said that he was gratified to hear that the adoption of a single gold standard was not to be taken into consideration in the conference, but he feared that a restriction of the coinage of silver would lead indirectly to a similar perturbation. The depreciation in the value of silver was, he believed, accidental and transitory, and had hitherto been confined within narrow limits, and the measure proposed would precipitate the downward movement. A more simple remedy would be to denounce the convention, which was now without object. The monetary union of 1865 had a second motive, which had also disappeared; this was to arrive at an international coinage. The question then presented considerable difficulties, and they had since been increased. GERMANY and SWEDEN had introduced new monetary systems which had no connection with those of the other States; and HOLLAND was about to do the same. Great fears existed of a diminution in the value of silver in the world. He feared that the contrary would be the case, and for this reason four great European States were under the *regime* of a forced paper currency, and aspired after the moment in which they would be able to resume payments in specie, and it was not towards gold that their eyes were turned, but towards silver, for they would never commit the enormous folly of all asking for gold at the same time, as by so doing they would drive gold up to an exorbitant price. If RUSSIA was preparing for a loan of two milliards to enable her to return to a metallic circulation, she would employ silver. The Minister of Finance at Vienna had also recently told the speaker, M. WOLOWSKI, that it could not be supposed that the Austrian Government would commit the immense mistake of resuming payments in specie and abolishing silver coin. The Treasury and the AUSTRIAN BANK, besides, possessed scarcely any but silver. The question had now been raised in a singular manner. SWITZERLAND had become alarmed at the exportation of gold, and had indicated as the object

of the monetary convention, the exclusive adoption of a gold currency. But there was this curious fact, that SWITZERLAND had never struck a piece of gold, and possessed no gold coinage of her own. SWITZERLAND had, therefore, no standing in the question.

M. CLAPIER spoke on the other side, and said that when the monetary conferences were opened shortly after the act of 1865, all theorists and men not personally interested in the question, not only in FRANCE, but in ENGLAND and in other countries, with the exception of M. WOLOWSKI, were in favor of a single gold standard. (M. WOLOWSKI here replied that M. DE LAVELEYE, in BELGIUM, was of an opposite opinion.) The adoption of a gold standard, continued M. CLAPIER, would open an important perspective, this was the possibility of establishing a monetary convention with ENGLAND by coining 25-franc pieces, the equivalent of the Sovereign; FRANCE might then hope to share the enormous advantage ENGLAND possesses of having a money current throughout the world. The BANK OF FRANCE had not abstained from joining in the present speculation in the coinage of silver, for all her bullion of that metal had been recently converted into five-franc pieces, and the bank now paid them out in place of notes. The only partisans of the double standard were those men who desired a continuation of a state of things which permitted profitable speculations on the fluctuations in the value of gold and silver, and who desired that the coming conference should only consist of men whose opinions were in conformity with their own interests.

M. ANDRE, a regent of the BANK OF FRANCE, said that the greater part of the silver recently coined and placed in the bank reserve had been struck off not for that establishment but for the Treasury. That coinage was, however, practised within relatively restricted limits, and the amount was much less than appeared to be supposed by M. CLAPIER. With respect to the importation of silver coin from abroad he said that it gave rise to serious inconveniences, and the abuse was chiefly committed by ITALY. It besides continued, and might acquire considerable gravity, as a large sum remained to be received by the Treasury for the last instalments of the loan. It was, therefore, a matter of urgency to put an end to the practice, and if the Italian Government could be induced, in accord with the other governments, to restrict, for a time, the coinage of silver, the difficulty would, for the present, be averted.

This discussion shows that the opinion in favor of maintaining the double standard is gaining ground, as it was supported by four of the five speakers who took part in the debate. The engagement given by M. MAGNE, that the question shall not be raised in the coming conference, will deprive it of its chief importance, as the only question to be examined will be the restriction of the silver coinage. The convention does not expire until the 1st January, 1880, but if FRANCE and BELGIUM are in accord in wishing to denounce or modify it, the Governments of ITALY and SWITZERLAND would scarcely resist such a proposal; for notwithstanding

the statement of M. ANDRE that the chief abuse comes from ITALY, the quantity of Italian silver coin in circulation in FRANCE is quite insignificant, compared with the BELGIAN. The bill presented to the Belgian Chambers to suspend the coinage of silver was voted unanimously by the Senate on the 18th, and has since been promulgated.

CURRENCY.—Senator SHERMAN, in his recent speech on the currency, said "if Congress yielded one single inch to the desire for more paper money the Rubicon would be passed, and GOD alone could tell where it would stop." His speech was a forcible and cogent presentation of the need of returning to specie payments and the danger of further inflation. His summary of the acts which must be considered flagrant violations of the National faith, should be laid to heart.

FOREIGN AND DOMESTIC COINS COMPARED.

Circular exhibiting the values, in United States money of account, of the pure gold or silver representing, respectively, the monetary units of foreign countries, and proclaiming the value of the standard coins in circulation of the various nations of the world, in compliance with the act of March 3, 1873.

Treasury Department, Washington, D. C., Jan. 1, 1874.

The first section of the Act of March 3, 1873, provides "that the value of foreign coin, as expressed in the money of account of the UNITED STATES, shall be that of the pure metal of such coin of standard value," and that "the values of the standard coins in circulation of the various nations of the world shall be estimated annually by the Director of the Mint, and be proclaimed on the first day of January by the Secretary of the Treasury." The following tables have been prepared and are published in compliance with the above-stated provisions of law:

TABLE A.—*Values, in United States money of account, of the pure Gold or Silver representing the monetary units, respectively, of Foreign Countries.*

Country.	*Monetary unit.*	*Standard.*	*Value in U. S. money of account.*
Argentine Republic	Peso fuerte	Gold	$ 1.00,00
Austria	Florin	Silver	.47,60
Belgium	Franc	Gold and Silver	.19,30
Bolivia	Dollar	Silver	.96,50
Brazil	Milreis of 1,000 reis	Gold	.54,56
British Possessions N. A.	Dollar	Gold	1.00,00
Central America	Dollar	Silver	.96,50
Chili	Peso	Gold	.91,23
China	Cash	Copper	——
Cuba	Peso	Gold	.92,58
Denmark	Crown	Gold	.26,80
Ecuador	Dollar	Silver	.96,50
Egypt	Dollar of 20 Piasters	Silver	1.00,39
France	Franc	Gold and Silver	.19,30
Great Britain	Pound Sterling	Gold	4.86,65
Greece	Drachms	Silver	.19,30
German Empire	Mark	Gold	.23,82
Hayti	Dollar	Silver	1.00,00
Jamaica	Pound Sterling	Gold	4.86,65
Japan	Yen	Gold	.99,70
India	Rupee of 16 annas	Silver	.45,84
Italy	Lira	Gold and Silver	.19,30
Liberia	Dollar	Gold	1.00,00
Mexico	Dollar	Silver	1.04,75
Netherlands	Florin	Silver	.40,50
Norway	Crown	Gold	.26,80
Paraguay	Peso	Gold	1.00,00
Peru	Dollar	Silver	.96,50
Porto Rico	Peso	Gold	.92,58
Portugal	Milreis of 1,000 reis	Gold	1.08,47
Russia	Roubles of 100 copecks	Silver	.77,17
Sandwich Islands	Dollar	Gold	1.00,00
Spain	Peseta of 100 centimes	Gold and Silver	.19,30
Sweden	Crown	Gold	.26,80
Switzerland	Franc	Gold and Silver	.19,30
Tripoli	Mahbub of 20 piasters	Silver	.87,09
Tunis	Piaster of 16 caroubs	Silver	.12,50
Turkey	Piaster	Gold	.04,39
U. S. of Colombia	Peso	Silver	.96,50
Uruguay	Patacon	Gold	.94,98
Venezuela	Peso	Silver	.77,73

NOTE.—Where silver is the legal standard, and represents the unit of account, its value is reduced to the basis of gold, on the assumption that the ratio of 15½ to 1 represents the relative values of silver and gold.

Weight, Fineness, and Value of Foreign Coins, as determined by United States Mint Assays.

FOREIGN SILVER COINS.

Country.	*Denomination.*	*Weight. Ounces.*	*Fineness. 1000ths.*	*Value in subsidiary silver coin.*
Austria	Old rix dollar	0.902	.833	$ 1 00 2
"	Old scudo (crown)	0.836	.902	1 00 5
"	Florin (before 1858)	0.451	.833	0 50 1
"	New florin	0.397	.900	0 47 6
"	New Union dollar	0.596	.900	0 71 5
"	Maria Theresa dollar, 1780	0.895	.838	1 00 0
Belgium	5 francs	0.803	.897	0 96 0
"	2 francs	0.320	.835	0 35 6
Bolivia	New dollar	0.801	.900	0 96 1
Brazil	Double milreis	0.820	.918,5	1 00 4
Canada	20 cents	0.150	.925	0 18 5
"	25 cents	0.187,5	.925	0 23 1
Central America	Dollar	0.866	.850	0 98 1
Chili	Old dollar	0.864	.908	1 04 6
"	New dollar	0.801	.900,5	0 96 2
China	Dollar (English mint)	0.866	.901	1 04 0
"	10 cents	0.087	.901	0 10 5
Denmark	2 rigsdaler	0.927	.877	1 08 4
Egypt	Piaster (new)	0.040	.755	0 04 0
England	Shilling (new)	0.182,5	.924,5	0 22 5
"	Shilling (average)	0.178	.925	0 21 9
France	5 franc (average)	0.800	.900	0 96 0
"	5 franc	0.320	.835	0 35 6
North German States	Thaler (before 1857)	0.712	.750	0 71 2
" "	Thaler (new)	0.595	.900	0 71 4
South German States	Florin	0.340	.900	0 40 8
German Empire	5 marks (new)	0.804	.900	0 96 5
Greece	5 drachms	0.719	.900	0 86 3
Hindostan	Rupee	0.374	.916,5	0 45 7
Italy	5 lire	0.800	.900	0 96 0
"	Lira	0.160	.835	0 17 8
Japan	Itzebu (no longer coined)	0.279	890	0 33 1
"	1 yen	0.866,7	.900	1 04 0
"	50 sen	0.402	.800	0 42 8
Mexico	Dollar (average)	0.866	.901	1 04 0
"	Peso of Maximilian	0.861	.902,5	1 03 6
Netherlands	2½ guilders	0.804	.944	1 01 2
Norway	Specie daler	0.927	.877	1 08 4
New Granada	Dollar of 1857	0.803	.896	0 96 0
Peru	Old dollar	0.866	.901	1 04 3
"	Dollar of 1858	0.766	.909	0 92 8
"	Half-dollar of 1836–38	0.433	.650	0 37 5
"	Sol	0.802	.900	0 96 0
Portugal	500 reis	0.400	.912	0 48 6
Romania	2 lei (francs), new	0.322	.835	0 35 8
Russia	Rouble	0.667	.875	0 77 8
Spain	5 pesetas (dollar)	0.800	.900	0 96 0
"	Peseta (pistareen)	0.160	.835	0 17 8
Sweden	Ricksdaler	0.273	.750	0 27 3
Switzerland	2 francs	0.320	.835	0 35 6
Tunis	5 piasters	0.511	.898,5	0 61 2
Turkey	20 piasters	0.770	.830	0 85 2

Weight, Fineness, and Value of Foreign Coins, as determined by United States Mint Assays.

FOREIGN GOLD COINS.

Country.	*Denomination.*	*Weight. Ounces.*	*Fineness. 1000ths.*	*Value in U.S. gold coin.*
Austria	Fourfold ducat	0.448	.986	$9 13 2
"	Souverain, (no longer coined)	0.363	.900	6 75 4
"	4 florins (new)	0.104	.900	1 93 5
Belgium	25 francs	0.254	.899	4 72 0
Brazil	20 milreis	0.575	.916,5	10 89 4
Central America	2 escudos	0.209	.853,5	3 68 8
"	4 reals	0.027	.875	0 48 8
Chili	10 pesos (dollars)	0.492	.898	9 13 6
Columbia & S. A. generally	Old doubloon*	0.867	.870	15 50 3
Denmark	Old 10 thaler	0.427	.895	7 90 0
Egypt	Bedidlik (100 piasters)	0.275	.875	4 97 4
England	Pound or sovereign (new)†	0.256,8	.916,5	4 86 5
"	Pound average (worn)	0.256,3	.916,5	4 85 6
France	20 franc (no new issues)	0.207	.899	3 84 7
Germany	Old 10 thaler (Prussian)	0.427	.903	7 97 1
Greece	20 drachms	0.185	.900	3 44 2
India, (British)	Mohur, or 15 rupees‡	0.375	.916,5	7 10 5
Italy	20 lire (francs)	0.207	.899	3 84 7
Japan	Cobang (obsolete)	0.289	.572	3 57 6
"	New 20 yen	1.072	.900	19 94 4
Mexico	Old doubloon (average)	0.867	.870	15 59 3
"	20 pesos (empire)	1.086	.875	19 64 3
"	20 pesos (republic), new	1.081	.873	19 51 5
Netherlands	10 guilders	0.215	.899	3 99 7
New Granada	10 pesos (dollars)	0.525	.891,5	9 67 5
Peru	20 soles	1.055	.898	19 21 3
Portugal	Coroa (crown)	0.308	.912	5 80 7
Russia	5 roubles	0.210	.916	3 97 6
Spain	100 reales	0.268	.896	4 96 4
"	80 reales	0.215	.869,5	3 86 4
"	10 escudos	0.270,8	.896	5 01 5
Sweden	Ducat	0.111	.975	2 23 7
"	Carolin (10 francs)	0.104	.900	1 93 5
Tunis	25 piasters	0.161	.900	2 99 5
Turkey	100 piasters	0.231	.915	4 37 0

EXPLANATORY REMARKS.—1. The weight is expressed in fractions of an ounce troy, agreeing with the terms used in the United States mints.

If it is desired to have the weight of any piece in grains, regard the thousandths of an ounce as integers, take their half, from which deduct four per cent. of that half, and the remainder will be grains.

* The *doubloon* (doblon, or more properly *onza*, though not really an ounce Spanish) is now generally discontinued. These figures answer as well for the doubloon of PERU, CHILI, BOLIVIA, &c., and therefore this item stands for all. Popayan pieces were rather inferior.

† The sovereigns coined at Melbourne and Sydney, in AUSTRALIA, and distinguished only by the mint marks M and S, are the same as those of the London mint. Sovereigns generally are up to the legal fineness, 916⅔ (or 22 carats).

‡ The last coinage of *mohurs* was in 1862.

2. The fineness is expressed in thousandth parts, *i. e.*, so many parts of pure gold or silver in 1,000 parts of the coin. The old carat system is generally abandoned (except for jewelry), but it may be worth while to say that 41⅔ thousandths equal one carat.

3. The valuation of gold is a direct calculation from weight and fineness, at the legal rate of 25.8 grains, 900 fine, being equal to one dollar; or $ 20.672 (nearly) per ounce of fine gold.

Foreign coins, if converted into United States coins, will be subject to a charge of one-fifth of one per cent.

4. For the silver there is no fixed legal valuation as compared with gold. The value of the silver coins is computed at the rate of 120 cents per ounce, 900 fine, payable in subsidiary silver coin, that having been the mint price when the assays were made.

The gold value of silver is to be found in the bullion markets; at present it is about 113 cents per ounce, 900 fine.

5. These tables generally give the one principal coin of each country, from which the other sizes are easily deduced. Thus, when the franc system is used, there are generally gold pieces of 40, 20, 10 and 5 francs, all in due proportion. But in silver the fractional coins are very often of less intrinsic value than the normal coin, proportionally. These are seldom exported.

TAXATION.—Upon the subject of taxation, a number of important decisions have recently been made by the Supreme Court of the UNITED STATES. One of them denies the right of the State to tax imported goods in the original package, on the ground that the right of importation carries with it an unrestricted right to sell the goods. Another decision denies the right of the State to tax national property, or the national credit in the form of the public debt, the ground taken being that the right to tax implies the right to destroy. Another decision declares that for purposes of State taxation the port of registry of a vessel is the domicile of the vessel. The power of a State to tax bills of lading, or any form of commercial paper passing between the States, is denied, hence it is a restriction on domestic commerce. Another decision denies the extra territorial operation of the tax laws of the State, it being declared that a State has no right to tax a corporation on its shares, bonds or coupons, which are held outside the State.

PROPOSED RESUMPTION OF SPECIE PAYMENTS.

PLAN FOR PLACING THE CURRENCY OF THE UNITED STATES ON A SPECIE BASIS.

It is admitted by almost every one acquainted with the subject, that an early return to a *specie basis* is not only most desirable but in fact altogether essential to the solid prosperity and substantial progress of the UNITED STATES, both because the transactions of individuals and the nation generally would then be freed from the uncertainty which at present is inseparable from business, and because the credit of the nation would stand infinitely better in all the money markets of the world, and the UNITED STATES be able to place its loans to far greater advantage than whilst it is known that the nation tolerates an irredeemable currency, as if feeling *unable to redeem.*

Now, whilst the foregoing is undoubtedly true, still it is felt that the government cannot take the responsibility of issuing a proclamation that after a fixed day—say six months ahead—the legal-tender notes will be redeemable, *dollar for dollar*, in gold and receivable in payment of duties, and with good reason *too*, for it would undoubtedly cause a great shrinkage of values and involve immense injustice to individuals—in fact be a summary process of enriching the creditor at the expense of the debtor portion (by far the largest class) of the nation to the extent of about ten per cent., making the former *ten per cent. richer and the latter ten per cent. poorer.* For instance, suppose I borrow $ 1,000 on mortgage to-day: with about $ 900 gold the person from whom I borrow can get the $ 1,000 currency, for which in six months I should have to give $ 1,000 *gold, with interest.* Further calculations are needless, as the above will abundantly show how it would work in all cases. But one other instance might be stated. Say a bank has $ 1,000,000 (or any amount) under discount; from the time the proclamation was issued what a striving there would be among the borrowers to get hold of currency as soon as possible, and which every day was costing more, until the poor unfortunate who could not get out before six months would have to pay in gold.

After these remarks, the plan which I now submit will readily be seen to be absolutely free from any objection such as is mentioned above, and in fact is not open to any beyond the trouble it will give individuals, &c., to convert the balance in their books into the new currency and the cost of new notes to the nation.

I propose, then, that the government pass a bill providing for the issue of a new currency *on a specie basis*, to be got ready

without any further delay than is absolutely necessary, and that on a fixed day, say 1st July next, the Treasury of the UNITED STATES, in conjunction with the banks throughout the Union, commence the issue of the same in place of the currency now in circulation, taking the latter *at a fixed value*, say $ 110 for each $ 100 of the new currency or gold.

I choose this rate because it seems to be about the average maximum value of the greenback currency in gold at the present time, and indeed for a considerable time past, and principally because it would not cause *any shrinkage in values*, and is most convenient for calculation, all that would be required being to add a tenth to the new for its value in the old, or deduct an eleventh from the old for its value in the new.

The nation would doubtless hail this as an equitable mode of settling all transactions and returning to firm bottom.

For the above purpose it is obvious that $ 360,000,000 of the new would be equal to $ 396,000,000 of the old, which is rather more than the present issue of greenbacks, and surely $ 90,000.000 in gold coin held by the treasury should be far more than ample to secure all that could possibly be presented for gold, and it could be provided further that over and above a certain amount of notes issued, the treasury should hold dollar for dollar in gold.

A return to a *specie basis*, besides, would undoubtedly put into circulation a large amount of gold which is held by the gold brokers for speculative purposes under the present system, and would be held as an invaluable boon by the whole nation.

WALTER LAWSON.

BANK FRAUD.—Some irregularities have been discovered in the accounts of the Cashier of the WAMESIT BANK of Lowell, MASS. The bank is amply secured for any deficit ascertained during the late examination, by bonds to the amount of $ 10,000 and stock to the amount of $ 8,000, which it holds belonging to Mr. BUTTRICK. It is not known that any movement is contemplated for his arrest. The official investigation included an examination into the books of the bank the past seven years only. The directors will very likely continue the examination to an earlier date. A choice of cashier was made and the matter reconsidered.

A FOREIGN REVIEW OF THE YEAR 1873.

From the Times, London.

The year 1873 has, in ENGLAND, been generally prosperous and tranquil. Frequent derangements of the money market, produced by external causes, have passed over without disastrous results. The enormous payments made by FRANCE to GERMANY on account of the indemnity have produced little disturbance; but the German demand for the establishment of a gold coinage has sometimes caused inconvenient pressure. The reaction from a period of excessive speculation produced serious embarrassment on the Stock Exchanges of Berlin and Frankfort, and at Vienna the difficulty amounted to a panic. In the Autumn a still graver crisis commenced in the UNITED STATES, with the failure of more than one bank which had commanded general confidence. The immediate cause of stoppage was the investment in railway construction of an undue proportion of capital, and the immediate consequences were alarming. For a short time all the banks virtually suspended payment, except in the form of certified checks. The moderation and prudence of the commercial community, and the intrinsic soundness of the banks themselves, facilitated an early resumption of payments, and the financial crisis is, apparently, at an end; but every kind of enterprise has been seriously discouraged, and the interruption of trade and the diminution of the demand for labor will probably cause much distress during the Winter. The effect of foreign disturbances has, in ENGLAND, been indicated by rapid changes in the value of money, but timely vigilance has on all occasions provided against impending scarcity. The bank rate of discount was reduced early in the year from 5 per cent. to 4½ and to 3½. In May it rose to 5, in June to 6 and 7 per cent. At the end of August the rate was 3 per cent.; in September and October it rose again to 7 per cent., and in November to 9, from which it has since fallen to 4½. Trade in general has been moderately active, though the rate of increase has been diminished; and there are symptoms of a decline in the exorbitant price of coal, which affects every department of industry as well as domestic economy and comfort. The conflict between workmen and their employers still causes inconvenience and anxiety. In the middle of last Winter a strike of 10,000 ironmasters' colliers in Glamorganshire and Monmouthshire reduced a population of 60,000 ironworkers to compulsory idleness. The margin of wages in dispute was inconsiderable; but the mas-

ters refused to negotiate with the representatives of the Trades' Unions in the North, who had assumed the direction of the struggle. After a time one of the largest employers, embarrassed, probably, by heavy pending contracts, conceded the demands of the men. The other ironmasters obtained a nominal victory by inducing the workmen to accept for two or three weeks a reduced rate of wages on the understanding that an increase would be granted at the end of the term. The vexation and annoyance which are inflicted on manufacturers and masters by the exigency of the Unions have lately induced many of the largest industrial capitalists to establish a National Federation of Employers. The right of employers to combine is obviously as complete as that of the workmen, but the expediency of the combination, and the practicability of its avowed objects, are more questionable. . . .

The new year, therefore, opens with favorable financial prospects, and perhaps they are none the less favorable for being somewhat more moderate than we have occasionally been able to contemplate. A prosperity which—in Mr. GLADSTONE's language of last Spring—advances by "leaps and bounds" has its compensating dangers. It encourages speculation, and thus tempts reaction. What the country wants is a trade growing steadily by means of legitimate business; and there is every reason to believe that this is the present condition of affairs in the city and other commercial centres. It is to be hoped that the new organization of employers against workpeople does not portend any aggravation of the conflict, for the moment comparatively dormant, between Labor and Capital. It is a disagreeable symptom, because it can only be interpreted as an indication that employers are less and less able to deal individually with their men. In other respects there is no cause for apprehension, and we may trust we are entering on a prosperous and tranquil twelvemonth. . . . . After the lapse of an entire generation since our existing currency system was established, the experience of the past year, during which for the first time it has been allowed fairly to operate, has at length placed it beyond the reach of cavil and the danger of future tamperings. With this result the prospects henceforth of our financial course are almost stripped of uncertainties. The transactions of the world are now so vast that incidents such as local wars or deficient harvests are reduced to minor importance, and hence, with the certainty that the natural laws which regulate the supply of gold, as of every other commodity, will be allowed their sway without legislative interruptions at the cry of improvident speculators, there is, so far as ENGLAND is concerned, little to expose her commercial career to any checks that will not be met by a rapid remedy.

As regards the new year the only question of importance seems to be the probable effect of the various large foreign loans recently launched, and which are likely to be followed by others. But, thus far, our commitments in that direction have not exceeded what may almost be considered their inevitable amount. Apart

from whatever profits the UNITED KINGDOM may derive from trade and manufactures, we must take into account the immense total we hold of foreign, colonial, and territorial indebtedness, which represents the accumulated savings from past industry. There are no means of ascertaining this total, but it is thought that thirty millions sterling per annum would not be an immoderate estimate of the annual dividends accruing from it. For this an outlet is required each year, and it can be found only in foreign enterprises or in an expansion of works at home to such an extent as to lead to an excess of importations of foreign goods or material that would drain from us the sum in question. No formation at home of companies which, like the majority of those now created, have for their object merely the transfer of undertakings from the hands of individuals to joint-stock shareholders can have any influence in constituting channels of investment for our surplus receipts as a nation. A vendor who receives a quarter of a million or half a million for a property must go into the market to find employment for that sum, and the whole affair involves nothing but certain shiftings of ownership. Schemes to the extent of hundreds of millions in this way may, therefore, be carried out, and create an appearance of great speculative activity and danger without affording the smallest relief for pent-up capital. Hence loans to foreign nations who, by their course hitherto, may have entitled themselves to confidence, are, when legitimately afforded either in a direct shape or by means of companies for the execution of public works, among the essential conditions of our progress. That under the temptation of heavy commissions and other profits they are too often granted in unworthy directions is an evil incidental to all forms of adventure, and for which an occasional return of the bank rate to 12 per cent. can alone be the corrective.

The Continental movements in relation to the establishment of gold currencies can have no influence on the condition of our money market. If we are in debt to foreign countries they will draw upon us for the amount, and it can make no difference whether they take it in gold or in some other commodity of the same value. If we are not in debt they cannot obtain gold from us without sending an equivalent that will enable us to acquire an equal amount of gold from other quarters. The only result of the substitution of gold for silver in any country must consist in the fact that it will delay the gradual depreciation of gold which is occurring annually from the Californian and Australian supply. Supposing GERMANY to have taken thirty millions of gold, and to have locked up thirty millions of silver, she will for a year or two have arrested this depreciation, and to holders of fixed incomes the circumstance will have been an advantage. But when she gets rid of the silver the effect will be to a considerable degree neutralized, for the silver will compete with gold in CHINA, INDIA, and elsewhere, and the general course of affairs will have experienced no permanent alteration.

Commercial Retrospect of 1873.

Subjoined is a summary of the principal events of the year 1873 bearing upon commercial and financial interests:—

January 1.—Consols, 91⅞; Bank bullion, £23,666,857; ditto, Bank of France, £31,600,000; Bank of England discount rate, five per cent.

4.—Suspension of Messrs. J. F. Pawson & Co., Manchester warehousemen, with liabilities estimated at between £600,000 and £700,000. The business afterwards successfully re-established as a Limited Joint-Stock Company.

9.—Bank rate reduced to four and a-half per cent. Death of the Emperor Napoleon at Chiselhurst.

13.—Japanese Seven per Cent. Loan for £2,400,000, at 92½, introduced by the Oriental Bank Corporation.

20.—Hungarian Five per Cent. Loan of £5,400,000, at 80, or 78¾ with allowances, introduced by Messrs. Raphael & Sons.

22.—City of Montreal Bonds for £500,000, at 90, introduced by Messrs. Morton, Rose & Co. Loss of the "Northfleet," bound for Australia, off Dungeness, with between 300 and 400 emigrants.

23.—Bank of England rate reduced to four per cent.

30.—Bank of England rate reduced to three and a-half.

February 6.—Opening of Parliament.

11.—Abdication of King Amadeus and declaration of Republic in Spain.

12.—Advance in price of coal in London to 52s. per ton.

15.—Failure of the Mexican firm of Lizardi & Co. [M. Lizardi subsequently apprehended on charge of fraud. Absconded from his bail, which had been given by two sureties to the extent of £12,000.

24.—Issue of United States Five per Cent. Funded Loan.

March 1.—Discovery of forged bills discounted at the Bank by a gang of Americans to the extent of about £100,000.

6.—Metropolitan Board of Works Loan for £1,800,000, of which £690,000 was taken at and above the *minimum* price, 95½, and the remainder at that price during the following week.

11.—Defeat of the Government in the House of Commons on the Irish University Bill.

13.—Resignation of the Gladstone Ministry, followed in a week by their resumption of office.

26.—Bank rate advanced to four per cent.

29.—Chilian Five per Cent. Loan for £2,276,500 nominal, at 94, introduced by the Oriental Bank.

APRIL 2.—News of the wreck of the steamer "Atlantic," off Halifax, and loss of about 700 lives.

7.—Budget of Mr. LOWE, Chancellor of the Exchequer, showing surplus of past year to have been £5,895,000, and that the National Debt, which in 1869 was £805,480,000, funded and unfunded, was now £785,800,000. For the current year the estimate was: Expenditure, £71,881,000, an increase of £10,000; and revenue, £76,627,000, showing a surplus of £4,746,000, out of which it was proposed to pay £1,600,000 as a moiety of the Alabama Indemnity, to reduce the Sugar Duties one-half, which would involve a loss of £1,430,000, and to take 1*d.* off the Income Tax, reducing it from 4*d.* to 3*d.*—a loss of £1,425,000, and to abolish the tax on hotel waiters, a loss of £30,000. The revenue would thus be reduced to £72,162,000, leaving a surplus of £291,000.

MAY 7.—Bank rate raised to four and a-half per cent.

10.—Bank rate raised to five per cent.

17.—Bank rate raised to six per cent.

24.—Political crisis at Paris. Resignation of M. THIERS. Marshal MACMAHON appointed President. Rise of two per cent. in the French funds.

JUNE 4.—Bank rate raised to seven per cent.

9.—Burning of the Alexandra Palace.

12.—Bank rate reduced to six per cent.

18.—Bill introduced by Mr. LOWE, Chancellor of the Exchequer, to authorize in certain contingencies, a temporary increase of the amount of BANK OF ENGLAND notes; withdrawn a fortnight afterwards. Arrival of the Shah of PERSIA in London.

JULY 10.—Bank rate reduced to five per cent.

17.—Bank rate reduced to four and a-half per cent.

24.—Bank rate reduced to four per cent.

25.—Tenders invited for £500,000 New Zealand Five per Cents., at 102½.

26.—Egyptian Seven per Cent. Loan for £32,000,000 nominal, at 84¼, introduced by IMPERIAL OTTOMAN BANK and Messrs. BISCHOFFSHEIM and GOLDSCHMIDT.

31.—Bank rate reduced to three and a-half per cent.

AUGUST 2.—Railway accident at Wigan. Eleven persons killed and about thirty injured. This accident was followed by a succession of like disasters throughout the Autumn, which led to a circular being addressed to the various companies by the Board of Trade, and much subsequent controversy.

5.—Prorogation of Parliament.

8.—Mr. LOWE appointed Home Secretary, Mr. GLADSTONE taking the post of Chancellor of the Exchequer in addition to his duties as Premier.

21.—Bank rate reduced to three per cent.

28.—American forgers on the BANK OF ENGLAND convicted, and sentenced to penal servitude for life.

SEPTEMBER 5.—Payment of £10,000,000, being the last instalment of the £200,000,000 War Indemnity from FRANCE to GERMANY.

19.—Money panic in New York; suspension of the New York banking firm of JAY COOKE & Co., followed by that of several other firms and banking and trust institutions.

22.—Tenders received by Messrs. BARING and Messrs. GLYN for £1,800.000 Canada Four per Cent. Bonds, guaranteed by the Home Government. The whole taken at prices ranging from £103 11*s.* to £106.

25.—Bank rate raised to four per cent.

29.—Bank rate raised to five per cent.

OCTOBER 7.—Turkish Six per Cent. Loan for £27,777,780, introduced by IMPERIAL OTTOMAN BANK, at 58½, of which the portion offered for subscription in London was £8,000,000.

14.—Bank rate raised to six per cent.

18.—Bank rate raised to seven per cent.

NOVEMBER.—During this month attention was much directed to despatches received from time to time regarding operations commenced against the King of ASHANTEE.

1.—Bank rate raised to eight per cent.

7.—Bank rate raised to nine per cent., and twelve per cent. charged and freely paid for advances.

17.—Capture of the "Virginius," American steamer, by Spanish gunboat off CUBA, and execution of fifty-seven of her passengers by the Cuban authorities. The survivors, numbering 102 persons, were released on demand of the UNITED STATES, to whom the vessel was also restored. Subsequently it was reported that the vessel would be given back to SPAIN on the ground that she had been lawfully captured, but on her passage to New York, in charge of an American frigate, she foundered in a gale off Cape Fear.

19.—Vote of the French Assembly at Versailles conferring the Executive Power for seven years on Marshal MACMAHON, with the title of President of the Republic. Adopted by 383 against 317. Rise of about one and a-half per cent. in the French Funds. Death of Mr. THOMAS BARING, M.P.

20.—Bank rate reduced from nine to eight per cent.

22.—TWEED, the head of the New York Tammany Ring, sentenced to twelve years in the State Penitentiary and a fine of £2,500.

27.—Bank rate reduced from eight to six per cent.

29.—Russian Five per Cent. Railway Loan of £14,000,000, introduced by Messrs. ROTHSCHILD, at 93, of which £8,000,000 was offered for subscription in London, HOLLAND, and GERMANY; £3,000,000 being reserved for St. Petersburg, and £3,000,000 having already been placed.

DECEMBER 1.—News of the sinking of the "Ville du Havre," seven days out from New York to Havre, through collision on the 23d November, and loss of 226 out of 313 passengers and crew.

4.—Bank rate reduced to five per cent.

10.—Hungarian Six per Cent. Debenture Loan for £7,500,000, redeemable at par in five years, introduced by Messrs. ROTHSCHILD, at 89.

11.—Bank rate reduced to four and a-half per cent.

12.—Buenos Ayres Six per Cent. Loan for £2,040,800, introduced by Messrs. BARING, at 89½.

31.—Consols, 92; French Rentes, 57½; Bank bullion, £22,123,161; Bank rate of discount, four and a-half per cent.

The following is an analysis of new companies proposed in the English market in the year 1873, the capital authorized, capital offered, and capital actually paid in:

ANALYSIS FOR YEAR 1873.

	No. of Companies.	*Capital authorized.*	*Capital offered.*	*Deposits.*
Investment	11	£13,710,400	£8,710,000	£2,004,750
Telegraph	8	11,435,000	10,790,000	3,227,500
Manufact'g&Trading	78	10,355,000	7,682,000	2,953,100
Mining	33	4,988,000	3,633,504	1,458,552
Mining Collieries	35	4,985,000	3,481,240	1,432,722
Banking	4	4,020,000	2,913,000	428,650
Financial	3	2,400,000	1,200,000	190,000
Railway	6	1,992,000	1,282,000	359,800
Insurance	3	1,700,000	1,300,000	270,000
Shipping	2	1,350,000	1,350,000	400,000
Gas	5	1,050,000	365,000	195,500
Water	2	600,000	350,000	87,500
Tramway	5	370,000	350,000	118,000
Hotel	3	165,000	165,000	39,000
Miscellaneous	8	820,000	803,000	254,900
Totals	206	£59,940,400	£44,374,744	£13,419,974
Old Companies	—	—	35,971,035	23,876,204
Foreign Loans	—	—	128,840,700	84,661,933
Totals, year 1873	—	—	£209,186,479	£121,958,111

These figures show the following totals—viz.: Capital authorized for new companies, 60 millions; of which there was actually offered for public subscription 44¼ millions; deposits on capital offered amount to 13½ millions; new capital offered to the public by previously existing companies, 36 millions; ditto, actually called up, 23¾ millions; foreign loans, nominal amount of stock offered for public subscription, 128¾ millions; ditto, amount called up, 84½ millions. The capital required for public companies during the year 1873 appears to be about equal to that for the year preceding. The effect of the high price of coal will be seen in the introduction of thirty-five new colliery companies, with about five millions of capital. The variations in the bank rate of discount have been more in number than usual—twenty-four—the lowest rate being three per cent., on the 21st of August, and the highest, nine per cent., on the 7th of November.

Analysis of Additions to Former Loans and Companies.

	Capital offered.		*Capital called up.*
Railways	£31,473,990	..	£20,174,299
Investment	1,319,180	..	1,294,180
Manufacturing and Trading	690,315	..	639,675
Financial	350,000	..	305,000
Telegraphs	341,000	..	295,500
Water	279,550	..	279,550
Tramways	222,000	..	131,750
Shipping	110,000	..	101,750
Gas	75,000	..	22,500
Mining	25,000	..	18,000
Collieries	35,000	..	34,000
Miscellaneous	1,050,000	..	580,000
Totals	£35,971,035	..	£23,876,204

Foreign Loans Negotiated in London, 1873.

Loan.		*Issued Price.*		*Amount of Stock.*		*Paid up.*
Buenos Ayres, 6 per cent.	....	89½	..	£2,040,800	..	£306,120
Chilian, 5 "	....	94	..	2,276,500	..	2,139,910
Egyptian, 7 "	....	84¼	..	32,000,000	..	16,900,000
Hungarian, 5 "	....	80	..	5,400,000	..	4,320,000
Hungarian, 6 "	....	89	..	7,500,000	..	1,500,000
Japanese, 7 "	....	92½	..	2,400,000	..	2,180,000
Russian, 5 "	....	93	..	15,000,000	..	3,000,000
*Turkish, 6 "	....	58½	..	2,223,460	..	655,903
United States, 5 "	....	91	..	60,000,000	..	54,600,000
Totals		..	..	£128,840,760	..	£84,661,933

*£8,000,000 *authorized, but not all issued.*

Statement showing the fluctuations in the value of money in the London market during the year 1873, amount of bullion held by the Bank of England, notes in circulation and reserve, and price of Consols at date of each alteration of Bank of England rate of discount :—

Minimum Bank Rate of Discount.	*Bullion held by the Bank.*	*Notes held by the Public.*	*Reserve of Notes.*	*Price of Consols.*
Jan. 1*	£23,373,445	£25,561,205	£12,812,240	— —
Jan. 9, 4½ per cent.	23,411,360	26,013,720	12,397,640	92⅛ ⅜
Jan. 23, 4 per cent.	23,873,330	25,151,985	13,721,345	92¼ ⅜
Jan. 30, 3½ per cent.	24,039,700	24,857,310	14,182,390	92 ¼
March 26, 4 per cent.	22,879,120	25,191,320	12,687,800	92½ ¾
May 7, 4½ per cent May 10, 5 per cent.	20,800,295	26,387,805	9,412,490	93¼ ½
May 17, 6 per cent.	20,334,370	25,982,890	9,351,480	93¼ ⅜
June 4, 7 per cent.	19,871,685	25,823,125	9,048,560	92⅛ ⅜ x.d.
June 12, 6 per cent.	20,059,755	25,023,065	10,036,690	92½ ⅝
July 10, 5 per cent.	21,623,980	26,197,390	10,426,590	92½ ¾
July 17, 4½ per cent.	21,788,195	26,101,560	10,686,635	93⅜ ½
July 24, 4 per cent	22,477,605	25,868,290	11,609,315	92⅝ ¾
July 31, 3½ per cent.	22,610,845	25,888,745	11,722,100	92½ ⅝
Aug. 21, 3 per cent.	23,363,100	25,897,675	12,471,425	92½ ⅝
Sept. 25, 4 per cent. Sept. 29, 5 per cent.	22,938,165	25,238,260	12,639,905	92⅜ ½
Oct. 14, 6 per cent. Oct. 18, 7 per cent.	19,209,815	26,861,765	7,348,050	92⅜ ⅝
Nov. 1, 8 per cent.	18,757,585	25,996,765	7,760,820	— —
Nov. 7, 9 per cent.	18,760,360	26,308,295	7,451,965	92 ⅜
Nov. 20, 8 per cent.	19,132,400	25,273,130	8,859,270	92¾ ⅞
Nov. 27, 6 per cent.	20,166,745	24,791,150	10,375,595	93⅛ ⅜
Dec. 4, 5 per cent.	20,951,315	25,218,245	10,733,070	91⅞ 2⅛ x.d.
Dec. 11, 4½ per cent.	21,545,500	24,822,950	11,722,550	91¾ 2

* *Bank rate stood at five per cent. from December 12, 1872.*

ALTERED CHECKS.—A decision in the New York Superior Court at New York was made on the 31st ult., which makes an important distinction as to the certification of checks. The MARINE NATIONAL BANK certified a check for $ 4,679.96. This check was deposited in the NATIONAL CITY BANK, and that bank collected the amount through the Clearing House. It was afterward discovered that the check had been "raised," *i. e.*, altered, from a check for $ 25, the name of the payee being changed at the same time. The MARINE NATIONAL BANK thereupon sued the NATIONAL CITY BANK to recover the money paid on the check, but the court rejects the suit. Had the check been altered *after* the certification the bank could not have been held; but being altered before, the certification was a bar to its claim. This is fair enough, since, if an innocent party is to suffer it should be the one most interested, and presumably, best fitted to detect a fraud. The case excites considerable interest in banking circles.

LIST OF NEW JOINT-STOCK COMPANIES BROUGHT OUT IN GREAT BRITAIN DURING THE YEAR ENDING DECEMBER 31, 1873.

From the London Times.

[Nearly all the new companies are formed under the *Limited Liability Act* of the UNITED KINGDOM].

Name of Company.	*Capital Authorized.*	*Capital Offered.*	*Am't of Share.*	*Deposit.*	*Total Deposit.*
African Barter	£100,000	£40,000	£10 0	£3 0	£12,000
Albert Bridge	90,000	73,000	10 0	3 0	21,900
Alliance Co-operative Coal	20,000	20,000	1 0	1 0	20,000
Alton Coal	100,000	100,000	10 0	— -	—
American Investment Trust	500,000	475,000	100 0	25 0	118,750
Anglo-American R. R. Mort. Trust	1,000,000	850,000	100 0	15 0	127,500
Anglo-Australian Steam	1,250,000	1,250,000	10 0	3 0	375,000
Anglo-Californian Bank	1,200,000	600,000	20 0	5 0	150,000
Anglo-Peruvian Bank	2,000,000	1,498,000	20 0	3 0	74,900
Anglo-Swedish Fuel	200,000	100,000	5 0	3 0	60,000
Archangel Marine Insurance	1,000,000	1,000,000	10 0	2 0	200,000
Azoff Coal	150,000	110,000	10 0	5 0	55,000
Ballyclare Paper Mills	75,000	20,000	10 0	4 0	8,000
Baltic Iron Ship-building	280,000	250,000	25 0	20 0	200,000
Banagher Distillery	100,000	100,000	5 0	1 0	20,000
Barbadoes Gas	100,000	70,000	5 0	3 0	42,000
Basye Consold. Silver Mining	200,000	17,000	100 0	50 0	8,500
Bath Colliery	75,000	15,000	5 0	2 10	7,500
Belowda Beacon Tin	15,000	6,000	1 10	1 10	6,000
Benther's Patent Railway Axle Box	80,000	80,000	5 0	2 0	32,000
Bettws Llantwit Colliery	60,000	60,000	10 0	5 0	30,000
Beyrout Waterworks	500,000	250,000	20 0	5 0	62,500
Birmingham (Blakeley Hall) Coal and Ironstone	220,000	100,000	25 0	10 0	40,000
Blaenafon Freehold Colliery	100,000	100,000	2 0	2 0	100,000
Blisland China Clay	15,000	15,000	5 0	3 0	9,000
Blochairn Iron	600,000	600,000	50 0	15 0	180,000
Boiler Cleansing	100,000	50,000	2 0	1 0	25,000
Bolivar Railway	350,000	350,000	10 0	4 0	140,000
Bonvilles Court Coal, &c.	200,000	165,000	10 0	4 0	66,000
Bramcote Colliery	120,000	100,000	5 0	1 10	30,000
Brazilian Sub. Telegraph	1,300,000	900,000	10 0	3 0	270,000
Bridgefield & Victoria Salt Works	150,000	90,000	20 0	10 0	45,000
British Agricultural Association	250,000	250,000	10 0	2 0	50,000
British & Continental African	200,000	100,000	5 0	1 0	20,000
British & Foreign Fresh Meat	150,000	150,000	5 0	2 0	60,000
British Patent Tanning	120,000	95,000	2 0	1 0	47,500
Brynmawr Coal, &c.	200,000	25,000	10 0	3 0	7,500
Brynycae and Cadley Collieries	250,000	250,000	10 0	5 0	125,000
Buckingham Plumbago	150,000	100,000	10 0	5 0	50,000
Cannock & Huntingdon Colliery	100,000	100,000	20 0	2 0	10,000
Caracoles Silver Mining	75,000	20,000	1 0	0 5	5,000
Cardiff & Swansea Smokeless Steam Coal	400,000	266,740	10 0	3 0	80,022
Cash Indicating Gas Meter	30,000	15,000	1 0	1 0	15,000
Catherine & Jane Lead Mining	30,000	5,000	5 0	5 0	5,000
Chapel House Colliery	140,000	75,000	5 0	3 0	45,000
Chicago Silver	150,000	130,000	10 0	2 0	26,000
City Glass & Bottle	50,000	17,500	5 0	2 0	7,000
Civil, Military, Navy & Clergy Supply Association	25,000	25,000	1 0	0 10	12,500
Cleveland Slag	30,000	10,000	10 0	2 0	2,000
Club Co-operative	50,000	15,000	1 0	1 0	15,000
Coal Consumers' Association	500,000	50,000	1 0	1 0	50,000
Coal Economizing Gas	300,000	45,000	10 0	3 0	13,500
Coal Gas Impt.	100,000	50,000	5 0	2 10	25,000
Colby Mining	30,000	30,000	2 0	0 10	7,500
Colne Valley Water	100,000	100,000	10 0	2 10	25,000
Consolidated Atlantic Telegraph	8,000,000	8,000,000	10 0	3 0	2,400,000
Continental & Genl. Tramway	100,000	90,000	5 0	2 0	36,000
Cornwall, Devonshire & Kentish Oyster Fishery	60,000	6,000	10 0	3 0	1,800

Name of Company.	*Capital Authorized.*	*Capital Offered.*	*Am't of Share.*	*Deposit.*	*Total Deposit.*
Costa Rica Gold	£250,000	£92,000	£10 0	£4 0	£36,800
County College Association	30,000	30,000	10 0	1 0	3,000
Daily Chronicle & Clerkenwell News	50,000	50,000	5 0	3 0	30,000
Dartmoor Peat Coal	50,000	47,500	5 0	3 0	28,500
Diamond Fuel	200,000	84,000	5 0	2 0	33,600
Direct Spanish Telegraph	130,000	130,000	10 0	3 10	45,500
Direct U. S. Cable	1,300,000	1,300,000	20 0	5 0	325,000
Dried Vegetables	100,000	60,000	5 0	3 0	36,000
Dublin & Chapelizod Distillery	80,000	80,000	10 0	3 0	24,000
E. Counties Aquarium	50,000	50,000	2 0	1 0	25,000
E. Norfolk Tram.	100,000	100,000	10 0	3 0	30,000
Englefield Colliery	100,000	75,000	10 0	3 0	22,500
Estremandura Phosphate	80,000	40,000	20 0	10 0	20,000
Fine Arts Financial Association	150,000	150,000	5 0	2 0	60,000
Fitzroy Bessemer Steel	200,000	95,000	10 0	3 0	28,500
Floating Swimming Baths	100,000	100,000	2 0	0 10	25,000
Fuller's Reef Gold	150,000	80,000	10 0	4 0	32,000
Gas & Water Debenture Trust	2,000,000	1,000,000	20 0	4 0	200,000
Gas Consumers' Apparatus	50,000	25,000	5 0	2 0	10,000
(Gaudet Freres) London & Paris S. S.	100,000	100,000	10 0	2 10	25,000
Gauley Kanawha Coal	50,000	20,000	5 0	3 0	12,000
Gellydeg Colliery	80,000	70,000	10 0	3 0	21,000
Glenariff Iron, &c.	130,000	30,000	10 0	2 0	6,000
Globe Telegraph Trust	3,000,000	3,000,000	10 0	3 0	900,000
Glogne Slate	100,000	67,500	10 0	2 0	13,500
Gold Company	100,000	25,000	1 0	1 0	25,000
Grand Hotel, Bournemouth	35,000	35,000	5 0	2 0	14,000
Great Australian Gold	200,000	70,000	2 0	1 0	35,000
Great Snowdon Copper	120,000	80,000	5 0	2 0	32,000
Great Tin Works Association	25,000	25,000	1 0	0 10	12,500
Great West Van Lead	50,000	50,000	2 0	0 10	12,500
Grocers' Supply Association	250,000	250,000	5 0	3 0	150,000
Halesowen and Bromsgrove Br. Railway	120,000	120,000	10 0	4 0	48,000
Harwich Harbor, &c	100,000	100,000	5 0	2 0	40,000
Hawne Collieries	200,000	200,000	5 0	5 0	200,000
Havana Co-operative Association	50,000	50,000	2 0	1 0	25,000
Heathside Nurseries	40,000	40,000	10 0	5 0	20,000
Hereford and South Wales Wagon and Engineering	100,000	100,000	10 0	3 0	30,000
Hester and Co	125,000	125,000	10 0	3 0	37,500
Highland Peat Fuel	100,000	100,000	10 0	5 0	50,000
Hornaclos Silver Lead	60,000	31,000	10 0	3 0	9,300
Hull Ironworks	100,000	50,000	10 0	4 0	20,000
Ibstock Colliery	100,000	60,000	5 0	2 10	30,000
Ifton Rhyn Collieries	150,000	105,000	10 0	2 10	26,250
Imperial Lands, &c., of Germany	900,000	450,000	15 0	3 0	90,000
Industrial Partnership Colliery	70,000	70,000	1 0	1 0	70,000
Inns of Court Hotel.	100,000	100,000	20 0	2 0	10,000
International Ice	200,000	50,000	5 0	2 0	20,000
Isle of Man Rail	160,000	50,000	5 0	5 0	50,000
James A. Lee's Paper Mills Machinery	120,000	120,000	10 0	3 0	36,000
James E. Figg & Co.	5,000	2,500	2 0	1 0	1,250
Jesty's Patent Marine Anti-Fouling Composition	50,000	50,000	5 0	3 0	30,000
John Bagnall & Sons	300,000	160,000	10 0	4 0	64,000
Kidwelly Dinas Fire-brick	15,000	6,000	2 0	0 10	1,500
Lath and Veneer Cutting.	50,000	50,000	4 0	3 0	37,500
Laurie & Marner.	100,000	100,000	50 0	10 0	20,000
Liverpool Civil Service and Public Supply Association	50,000	50,000	5 0	2 10	25,000
Llanberis Copper	60,000	11,000	5 0	3 0	6,600
Llandilo Mining.	30,000	30,000	2 0	1 0	15,000
Llangennech Collieries	80,000	80,000	25 0	5 0	16,000
Llyni Valley Colliery	90,000	30,000	10 0	2 10	7,500
London and Brighton Cheap Coal Supply	250,000	250,000	5 0	2 0	100,000
London and Hanseatic Bank	800,000	800,000	20 0	5 0	200,000
London Paper Stocks Merchants	100,000	100,000	10 0	3 0	30,000
London Telegraphic News	120,000	120,000	5 0	3 0	72,000
Louth and East Coast Railway	96,000	96,000	10 0	3 0	28,800
Madras Tramways	100,000	100,000	10 0	4 0	40,000
Maldon Gold	50,000	40,000	2 0	1 0	20,000
Mann's Railway Sleeping Carriage	200,000	70,000	10 0	5 0	35,000
Maughold Head Mining	50,000	36,000	2 0	0 10	9,000
Melinden Valley Lead	33,000	33,000	3 0	1 0	11,000
Metropolitan Counties Co-operative Coal	50,000	49,000	2 0	0 10	12,250
Middlesborough and Stockton Tramways	50,000	50,000	5 0	1 0	10,000
Moel Tryfan Crown Slate	50,000	50,000	20 0	5 0	12,500

Name of Company.	*Capital Authorized.*	*Capital Offered.*	*Am't of Share.*	*Deposit.*	*Total Deposit.*
Montevidean and Brazilian Telegraph	£135,000	£90,000	£10 0	£5 0	£45,000
Mortgage Debenture & Gov. Securities Tr.	1,000,000	200,000	20 0	5 0	50,000
Mudstone Bay Red Hematite Iron Ore	80,000	40,000	5 0	4 0	32,000
Municipal Trust	1,000,000	1,000,000	100 0	15 0	150,000
Mutual London & Provinc'l Co-operative	100,000	100,000	5 0	1 0	20,000
Native Iron Ore	50,000	35,000	10 0	4 0	14,000
Neath and District Tramways	20,000	10,000	5 0	1 0	2,000
New Buxton Line	100,000	18,000	10 0	4 0	7,200
New Gas	500,000	175,000	5 0	3 0	105,000
Newport Abercarn Coal	150,000	150,000	10 0	2 0	30,000
New Sharlton Collieries	350,000	240,000	20 0	3 0	36,000
New Zealand Investment	50,000	25,000	1 0	0 10	12,500
New Zealand Land Improvement	500,000	250,000	20 0	2 0	25,000
New Zealand Meat	200,000	200,000	10 0	2 10	50,000
North Lonsdale Iron and Steel	200,000	200,000	100 0	20 0	40,000
North Wales Narrow Gauge R. R.	66,000	66,000	10 0	5 0	33,000
Oakham Collieries	200,000	60,000	25 0	7 0	16,800
Oldroyd & Sons	750,000	750,000	10 0	4 0	300,000
Ottoman Ice	50,000	20,000	4 0	3 0	15,000
Patent Fresh Meat	100,000	100,000	10 0	2 10	25,000
Patent Pipe and Boiler	80,000	55,000	5 0	3 0	33,000
Patent Steam Engine	100,000	35,000	10 0	3 0	10,500
Pawson & Co.	400,000	400,000	10 0	3 0	120,000
Peat, Coal, and Charcoal	200,000	100,000	10 0	4 0	40,000
Pelotas Coffee	50,000	50,000	5 0	3 0	30,000
Pelsall Coal, &c.	240,000	240,000	20 0	5 0	60,000
Peruvian Nitrate	100,000	100,000	20 0	3 10	17,500
Peter Dixon & Sons	100,000	100,000	10 0	2 0	20,000
Photo Mechanical Engraving, &c	50,000	50,000	2 0	0 10	12,500
Pier Hotel, Margate	30,000	30,000	1 0	0 10	15,000
Railway Debenture Trust	3,000,200	1,000,000	20 0	4 0	200,000
Railway Passengers' Luggage Insurance	200,000	100,000	10 0	3 0	30,000
Railway Share Trust	2,000,200	1,000,000	20 0	4 0	200,000
Reece's Patent Ice	100,000	40,000	10 0	4 0	16,000
Rhenish Silver Lead	60,000	20,004	6 0	3 0	10,002
Rio Tinto	2,250,000	2,000,000	10 0	3 10	700,000
River Plate and Brazil Telegraph	400,000	200,000	20 0	5 0	50,000
Rock Marine Insurance	500,000	200,000	10 0	2 0	40,000
Russian Coal	220,000	100,000	10 0	2 0	20,000
St. Day Fire-brick	25,000	12,000	10 0	5 0	6,000
Season Ticket Bank	20,000	15,000	1 0	0 5	3,750
Selenitic Cement	50,000	50,000	5 0	1 10	15,000
Silber Light	120,000	80,000	10 0	4 0	32,000
Standard Discount	1,000,000	500,000	10 0	1 10	75,000
Stiperstones Consols	35,000	35,000	1 0	0 10	17,500
Stura Valley Mining	100,000	100,000	5 0	3 0	60,000
Swansea and Neath Colliery	200,000	150,000	10 0	4 0	60,000
Swedish Iron Rolling Stock, &c	120,000	94,000	20 0	5 0	23,500
Swedish Paper	120,000	60,000	10 0	4 0	24,000
Tecoma Silver	300,000	300,000	10 0	6 0	180,000
Texas Pressure Meat	150,000	150,000	10 0	3 0	45,000
Treoarth Fire-brick, &c.	30,000	30,000	3 0	1 10	15,000
Universal Drug Supply	50,000	50,000	5 0	5 0	50,000
Universal Telegram	50,000	50,000	5 0	2 0	20,000
Upper Tyddyn Slate	30,000	30,000	5 0	1 10	9,000
Uruguay Central & Hygueritas Railway	1,200,000	600,000	100 0	10 0	60,000
Victoria and Fenton Park Colliery	100,000	100,000	10 0	5 0	50,000
Victorian Gold Consols	160,000	66,000	2 0	0 15	24,750
Weekly Tenements Investment	100,000	100,000	10 0	1 0	10,000
Wellington Iron & Coal	120,000	120,000	10 0	4 0	48,000
Welsh Steam Coal Colliery	200,000	100,000	10 0	2 0	20,000
Welsh Woolen Manufacturing	150,000	150,000	10 0	3 0	45,000
Wernpistill Colliery	100,000	50,000	5 0	3 0	30,000
West Drayton Rolling Mills	30,000	22,000	5 0	2 10	11,000
West Dronfield Colliery	20,000	15,000	5 0	3 0	9,000
West Llandudno Estate	60,000	60,000	5 0	3 0	36,000
West of England Hematite	30,000	14,000	10 0	4 0	5,600
Wheal Mary Tin	50,000	50,000	5 0	5 0	50,000
Wheal Tregoss Tin	15,000	15,000	1 0	1 0	15,000
Whittington and Sheepbridge Colliery	100,000	80,000	10 0	2 10	20,000
Whitwick Colliery	210,000	163,000	5 0	1 10	48,900
Wolsingham Park Fire-brick, Mineral and Coal	70,000	70,000	10 0	4 0	28,000
Wool, Hide and Skin Cleansing	200,000	100,000	2 10	1 10	60,000
Woolen Trade Association	150,000	75 000	10 0	1 10	11,250
Total	£59,940,400	£44,374,744			£13,419,974

New Issues by Companies Previously Existing.

Name.	*Capital Offered.*	*Number of Shares or Bonds*	*Am't of Share or Bond.*	*Called up. Per Cent.*	*Called up. Amount.*
Alexandra Palace	£150,000	15,000	£10	5*	£75,000
Arkansas Cent. R. R.	100,000	—	Stock	90	90,000
Atlantic & Great Western R. R.	900,000	—	Stock	89	801,000
Atlantic & Great Western R. R.	1,520,000	—	Stock	94	1,378,800
Australian Meat Agency	12,500	2,500	5	3*	7,500
Auvergne Bitumin. Rock & Paving	32,500	1,625	20	All	32,500
Baltimore & Ohio R. R.	200,000	—	Stock	99½	199,000
Baltimore & Ohio R. R.	1,000,000	—	Stock	75	750,000
Bath Colliery	20,000	400	50	47½*	19,000
Bridgefield & Victoria Salt Works	60,000	3,000	20	10*	30,000
British Chymical & Agricultural Manure	20,000	4,000	5	4*	16,000
Burlington, Cedar Rapids & Minn. R. R.	440,000	—	Stock	80	352,000
Cadiz Waterworks	79,550	7,955	10	All	79,550
Canada Southern R. R.	500,000	—	Stock	93½	476,500
Central Pacific R. R.	400,000	—	Stock	79½	318,000
Central Uruguay R. R.	250,000	5,000	50	38¾*	193,750
Chicago & Alton R. R.	300,000	—	Stock	91	273,000
Chicago & Paducah R. R.	115,200	—	Stock	78	89,856
City of Buenos Ayres Tramway	95,000	—	Stock	5	4,750
Coal Consumers' Association	200,000	200,000	1	21s.*	210,000
Compagnie Génér1. de Bellegarde	90,000	900	100	All	90,000
Cornwall Minerals Railway	375,000	3,750	100	65	243,750
Cornwall Minerals Railway	100,000	1,000	100	75	75,000
Crédit Foncier of England	200,000	2,000	100	100	200,000
Crédit Foncier of England	150,000	1,500	100	70	105,000
East & West Junction Railway	62,500	—	Stock	97½	60,937
Eastern R. R. of Massachusetts	200,000	—	Stock	93	186,000
East London Rail	198,300	—	Stock	72½	143,717
Ennis & West Clare Railway	50,000	5,000	10	4*	20,000
Erie Railway	2,000,000	—	Stock	82	1,640,000
Foreign & Colonial Gas	75,000	7,500	10	3*	22,500
Francis Canal (Hungary)	500,000	5,000	100	85	425,000
Galveston, Harrisburg & San Antonio R. R.	240,000	—	Stock	72	172,800
Glasgow & Cape Breton Coal & R. R.	40,000	400	100	All	40,000
Government Stock Investment	142,740	7,137	20	All	142,740
Government Stock Investment	586,440	29,322	20	All	586,440
Grand Trunk Railway of Canada	7,500,000	—	Stock	10	750,000
Great Northern Telegraph	250,000	25,000	10	All	250,000
Hango Railway	700,000	7,000	100	20	35,000
Illinois, Miss. & Texas R. R.	300,000	—	Stock	87½	262,500
Illinois & St. Louis Bridge	400,000	—	Stock	20	80,000
Kama Wolga Steam	110,000	1,100	100	92½	101,750
Kingsbridge Railway	160,270	16,027	10	7*	112,189
Knighton, Treverbyn & Resugga Hæmatite Iron Ore	12,800	256	50	47½*	12,160
Lisbon Steam Tramways	127,000	1,270	100	All	127,000
Midland Railway of Canada	150,000	—	Stock	82	123,000
Mississippi Central R. R.	600,000	—	Stock	88	528,000
Newcastle Chymical Works	250,000	25,000	10	All	250,000
N. Orleans, Jackson & Gt. Northern R. R.	600,000	—	Stock	87	522,000
New Prince of Wales Slate	10,000	2,000	5	All	10,000
New Prince of Wales Slate	10,000	200	50	20	4,000
New York, Boston & Montreal R. R.	1,250,000	—	Stock	80	1,000,000
N. Y. Central & Hudson River R. R.	2,000,000	—	Stock	95½	1,910,000
North'n Extension Railways (of Canada)	129,500	—	Stock	93	120,435
N. Western Railway of Montevideo	400,000	—	Stock	80	320,000
Odessa Waterworks	200,000	10,000	20	All	200,000
Oude & Rohilkund Railway	1,000,000	—	Stock	All	1,000,000
Pennsylvania R. R.	2,000,000	—	Stock	90	1,800,000
Perkiomen R. R.	240,000	—	Stock	90	216,000
Philadelphia & Reading R. R.	2,000,000	—	Stock	45	900,000
Porto Alegre & New Hamburg (Brazilian Railway)	97,220	4,861	20	All	97,220
Porto Alegre & New Hamburg (Brazilian Railway)	45,000	—	Stock	All	45,000
Railway Debenture Trust	500,000	5,000	100	95	475,000
R. Plate & Brazil Telegraph	91,000	4,550	20	10*	45,500

* Per share or bond.

Name.	*Capital Offered.*	*Number of Shares or Bonds.*	*Am't of Share or Bond.*	*Called up.* *Per Cent.*	*Called up.* *Amount.*
Robur Distillery	£30,000	3,000	£10	3*	£9,000
St. Blazey Consols Tin	5,000	2,000	2 10	2*	4,000
Schooner Pond Coal	15,000	150	100	All	15,000
Somerset & Dorset Railway	125,000	6,250	20	16½*	103,125
Somerset & Dorset Railway	120,000	—	Stock	All	120,000
S. & N. Alabama R. R.	1,100,000	—	Stock	87	957,000
Toronto, Grey & Bruce R. R.	66,000	660	100	92	60,720
United Canal & R. of New Jersey	300,000	—	Stock	96½	289,500
United Canal & R. of New Jersey	300,000	—	Stock	97	291,000
Uruguay Central & Hygueritas Railway	1,200,000	12,000	100	85	1,020,000
Welsh Freehold Coal, &c.	72,515	14,503	5	All	72,515
West Wisconsin R.	100,000	—	Stock	87½	87,500
Totals	£35,971,035				£23,876,204

The recent decision of one of the Courts, that hotel keepers were exempt from the provisions of the National Bankrupt Law, was apparently made on the merely technical ground that hotel keepers were not mentioned in the Bankrupt Law. But the Bankrupt Law does specify "bankers," and the ground for this decision in regard to National banks seems to be that a standard condition for all National banks is required in the National Currency Act, and that this condition is an evidence of solvency. The delinquencies from this standard condition, which call for the appointment of a Receiver by the Comptroller of the Currency are specified in the National Currency Act as follows: When capital stock is below the legal minimum; failure to maintain the specified reserve; deficiency in special surplus; failure to appoint redeeming agent, or to redeem notes; failure to sell capital stock; for certifying checks unlawfully.

THE HAMBURG BANK.—The readers of ADAM SMITH who are familiar with his famous account of the HAMBURG BANK, and the money of account which was created for those who had deposits in the bank, will be interested by the intelligence that an important change is about to be made in the rules of the bank as to the "banco-valuta." The Hamburg Principality and Senate have been discussing the matter, and, although the terms of the law are not yet finally settled, have resolved to put an end to the "banco-valuta" so far as hitherto based upon uncoined silver. After the 15th of February, 1874, all obligations payable on that basis may be fulfilled by a payment in Imperial gold coins, or in two or one thaler pieces of German coinage, at a fixed tariff. The change is another sign of the demonetization of silver which is now in progress, and which has perhaps been one of the most remarkable consequences of the gold discoveries.

* Per share or bond.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 661, February No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of January, 1874, compared with the same period in the years 1869–72. The figures in full-face type denote the lowest and highest quotations of the month:

	JAN.	1874.	1873.	1872.	1871.	1870.	1869.
1	Thursday .	Holiday.	Holiday.	Holiday.	**Sun.**	Holiday.	Holiday.
2	Friday	**10⅛** 10½	11¾ 12⅛	9¼ 9¾	Holiday.	**Sun.**	34¾ 35½
3	Saturday ..	10⅜ 11⅜	**11⅝** 11¾	9 9½	10⅝ 10⅞	19⅝ 20¼	**Sun.**
4	**Sunday**	**Sun.**	11⅝ 11⅞	9 9⅜	**10½** 10¾	**19⅜** 19⅝	35 35½
5	Monday ...	11 11⅞	**Sun.**	9⅛ 9¼	10½ 10⅝	19⅝ 20	**34⅝** 35⅛
6	Tuesday ..	11 11½	11⅝ 11⅞	8⅞ 9⅜	10½ 10¾	20⅛ 20¾	34⅞ 35¼
7	Wednesday	10⅞ 11¼	11⅝ 11⅞	**Sun.**	10⅝ 10⅞	21⅛ 21⅞	35⅛ 35⅜
8	Thursday .	11⅛ 11¾	11¾ 12¼	9⅜ 9⅝	**Sun.**	21⅞ 23	34¾ 35½
9	Friday	11⅜ 11¾	12⅛ 12½	8⅞ 9⅝	10⅝ 10⅞	**Sun.**	35⅛ 35⅜
10	Saturday ..	11⅝ 12	12⅛ 12½	8⅝ 9	10⅞ 11⅛	22 **23¼**	**Sun.**
11	**Sunday**	**Sun.**	12⅛ 12⅜	**8½** 8¾	10⅞ 11⅛	21¾ 22½	35⅛ 35¾
12	Monday ...	11¾ **12⅛**	**Sun.**	8⅝ 8⅞	10¾ 11	22 22½	35¼ 35½
13	Tuesday ..	11¼ 11¾	12 12¼	8⅞ 9⅛	10⅞ 11	21⅛ 21⅝	35½ 35⅞
14	Wednesday	11⅜ 11⅝	11⅞ 12⅛	**Sun.**	10⅝ 10¾	21½ 21⅞	36⅛ 36½
15	Thursday .	11¼ 11½	12 12⅜	8¾ 9⅛	**Sun.**	21¼ 21⅝	36¼ 36½
16	Friday	11⅜ 11⅝	12¼ 12⅝	8¾ 9	10½ 10¾	**Sun.**	36⅛ 36⅜
17	Saturday ..	11⅛ 11½	12⅜ 12¾	8¾ 9⅛	10½ 10¾	21⅜ 21⅝	**Sun.**
18	**Sunday**	**Sun.**	12⅝ 13¼	8⅞ 9	10½ 10¾	21⅝ 21⅞	35⅞ 36⅛
19	Monday ...	11 11⅜	**Sun.**	8⅞ 9⅛	10½ 10¾	21½ 21⅝	35⅜ 35¾
20	Tuesday ..	11⅛ 11⅝	12⅞ 13⅜	9 9¼	10⅝ 10¾	21 21½	35¼ 35½
21	Wednesday	11⅝ 11⅞	13¼ 13⅞	**Sun.**	10⅝ 10¾	20½ 21	35⅝ 35¾
22	Thursday .	11¼ 11¾	13⅜ 13⅝	9 9⅛	**Sun.**	20¼ 20⅞	35⅜ 35⅞
23	Friday	11⅜ 11⅝	13¼ 13⅞	8⅞ 9	10½ 10⅝	**Sun.**	35½ 36¼
24	Saturday ..	11⅜ 11⅝	13⅝ 14¼	8⅞ 9	10⅝ 10¾	20⅞ 21⅝	**Sun.**
25	**Sunday**	**Sun.**	13¾ **14¼**	9 9¼	10⅝ 10⅝	21 21½	36¼ 36⅝
26	Monday ...	11⅜ 11¾	**Sun.**	9 9¼	10½ 10¾	21½ 22	36¼ **36⅞**
27	Tuesday ..	11⅜ 11¾	13⅝ 14	9⅜ 9¾	10⅝ 10¾	21½ 22⅛	36¼ 36⅝
28	Wednesday	11⅜ 11⅝	13¾ 14⅛	**Sun.**	10½ 10⅝	21⅜ 21¾	36⅜ 36⅝
29	Thursday .	11¼ 11⅝	13¾ 14	9⅝ 10	**Sun**	21⅛ 21½	36⅜ 36⅜
30	Friday	11⅛ 11⅜	13⅝ 14	9½ 9¾	10⅜ 11⅛	**Sun.**	36⅛ 36¼
31	Saturday ..	11⅜ 11½	13⅜ 13⅞	9¾ **10⅛**	11 **11¼**	21⅛ 21⅜	**Sun.**

MONTHLY PREMIUM ON GOLD AT NEW YORK, 1868–73.

DATE.	1868.	1869.	1870.	1871.	1872.	1873.
January ..	33¼ 42¼	34⅝ 36¾	19⅝ 23¼	10½ 11¼	8⅛ 10⅛	11⅝ 14¼
February .	39⅝ 44	30⅞ 38⅛	15 21½	10¾ 12¼	9½ 11	12⅞ 15⅛
March ...	37⅞ 41⅜	30¼ 32½	10¼ 16⅜	10⅞ 11⅝	9¾ 10½	14⅝ 18½
April	37¾ 40⅜	31⅜ 34¾	11½ 15⅝	10⅞ 11¾	9⅞ 13¼	16¾ 19½
May	39⅛ 40½	34⅛ 44¾	13¾ 15½	11 12¼	12⅛ 14⅜	16⅝ 18⅝
June	39⅜ 41¼	37 39⅝	10⅞ 14¾	11¾ 13⅛	13 14¾	15 18¼
July	40¼ 45¼	34 37⅞	11⅛ 22¾	11¾ 13⅝	13½ 15¼	15 16⅜
August ...	43½ 50	31¼ 37⅝	14¾ 22	11⅝ 13¼	12½ 15⅝	14⅜ 16¼
September	41⅛ 45⅛	30¾ 62½	12¾ 16¾	12¾ 15⅜	12¾ 15⅛	10⅞ 16⅛
October ...	33¾ 40½	28⅛ 31¾	11⅛ 14¼	11½ 15	12¼ 15⅛	7⅝ 11¼
November	32⅛ 37	21⅛ 28⅜	10 13½	10⅜ 12⅜	11⅜ 14¼	6⅛ 10⅛
December.	34⅜ 36¾	19¼ 24	10¼ 11⅜	8⅜ 10⅜	11⅜ 13½	8⅜ 12⅝

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to February 1, 1874.

	January 1, 1869.	*January 1, 1871.*	*January 2, 1872.*	*January 1, 1873.*	*January 1, 1874.*	*February 1, 1874.*
INTEREST PAYABLE IN COIN:						
5-per-cent. Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 213,554,300	$ 195,562,300
New Loan of 1871, 5 per cent.	....	....	96,997,650	200,000,000	289,924,500	298,458,750
6-per-cent. of 1881..........	283,677,400	283,678,100	283,681,200	283,681,350	283,681,350	283,681,350
6 per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	935,046,800	935,046,800
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,722,206,950	$ 1,712,749,200
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railr'd	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes ...	$ 7,463,503	$ 7,315,822	$1,739,938	$ 4,084,220		$ 15,176,550
BEARING NO INTEREST:						
United States Notes........	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 378,481,340	$ 381,794,030
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	48,544,792	47,793,333
Gold Certificates of Deposit..	27,036,020	26,149,000	36,049,700	23,263,000	37,543,300	45,004,000
Currency do. do......	....	....	....	25,370,000	36,720,000	45,560,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 501,289,432	$ 520,151,363
Aggregate Debt..............	**$ 2,652,533,662**	**$ 2,487,750,892**	**$ 2,391,328,848**	**$ 2,295,814,538**	**$ 2,313,868,774**	**$ 2,327,378,625**
Coin and Currency in Treasury	**111,826,461**	**138,086,572**	**127,294,320**	**109,605,849**	**132,476,961**	**135,700,575**
Debt, less coin and currency.	**$ 2,540,707,201**	**$ 2,349,664,320**	**$ 2,264,034,528**	**$ 2,186,208,689**	**$ 2,181,391,813**	**$ 2,191,678,050**

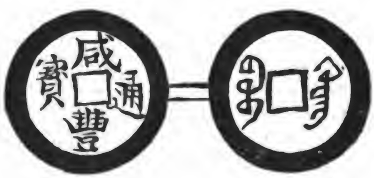
Coin in the Treasury, February 1, 1874, $ 85,359,369; Currency, $ 50,341,206; total, $ 135,700,575.

NOTES ON CHINESE CURRENCY,

PAST AND PRESENT.

Communicated to the BANKER'S MAGAZINE.

The absence of a National currency in the precious metals, among so commercial a people as the Chinese, is so singular an exception to the general usage, even of Asiatic nations, that one is led to inquire into the reasons for it; and his surprise is rather increased to find that the cause is to be found in the commercial freedom which has done so much to elevate the people. The government, on the one hand, is not strong enough, everywhere in its wide domain, to punish those subjects who counterfeit its coin; and on the other hand, not honest enough itself to issue pieces of a uniform standard for a length of years, and thereby obtain the confidence of its subjects. It will not receive debased metal in payment of taxes, and it is not able to force tax-payers to take adulterated coin. The result has been that all parties have adopted a form of bullion that partakes of the nature of coin in the single point, that the pieces are of a known weight and purity; and yet which can be tested without much loss, and bears no effigy to authenticate its origin.



Size and superscription of the Chinese Cash.

The only native coin, therefore, now in use throughout CHINA is the tsien 錢 called cash by the English, and sapeque by the French, who derived it from the Portuguese word sapeca. It is circular, measuring between five-sixths and nine-tenths of an inch in diameter, and has a square hole in the middle for the convenience of stringing them. It is cast, and not stamped or minted; the obverse bears the name of the province in which it is cast, in Manchu letters, on the right side of the square hole, and the word for 寶 on the left; on the reverse is the name of the reign (as TAUKWANG, HIENFUNG, &c.) in Chinese,

above and below the hole, with the addition of two characters 通寳 tungpau, *i. e.*, 'current money,' on the right and left of it. Copper coins of this shape were first cast about B. C. 1120, at the beginning of the CHAU dynasty, when SAUL was king of Israel, and has ever since been retained as the form and material of the National currency. From CHINA they have passed into COREA, JAPAN, ANNAM and TIBET, whose rulers have imitated them, and whose inhabitants still use them. Besides this shape, copper coin shaped like knives, and others like rectangular labels, were current during the early dynasties before the Christian era; their forms and superscriptions, with much other information respecting this subject, can be seen in *Chaudoir's Recuiel des Monnaies.*

The mode of casting the cash is given in the Imperial Statutes, and described in the following extract, explaining the usage at Canton, which is much the same in other provincial mints:

"From the Board of Revenue at Peking models are obtained, and in each provincial city a mint is established, over which a director is appointed. When the mint is to be worked, the director weighs out the proper quantity of copper and delivers it to the workmen to be cast into money, and to be returned according to the quantity given; but these workmen often throw sand into the mold with the metal, and are thus enabled to purloin the copper. When about to cast, they take the metal and put it into a furnace to be fused, and afterwards pour it into a clay mold. Afterwards, when the metal has become cold and hard, it is turned out of the mold. The weight of each piece of the money is one mace (tsien), and hence it is called by the same name; the value fixed by government is the thousandth part of a tael's weight of silver.

"The second, fifth and eighth days of each month are the periods fixed for commencing the work; and the third, sixth and ninth are the days for weighing money, and delivering it to the Commissioner of Finance. The people who work the mint are required to be always in the establishment, not being at liberty to go in and out at pleasure; but they are changed in rotation, and, only on the third, sixth and ninth days, after they have weighed and delivered the money over to the Commissioner of Finance, are they permitted to leave the mint, but are required to return on the same evening."—*Chinese Chrestomathy, page* 257.

The officers who superintended the mints in the provincial capitals debased the coins from time to time, until, during the reign TAUKWANG (1821 to 1851), it became so bad that it would not remunerate forgers to counterfeit it. By an edict of SHUN-CHI, in 1644, when the Manchus first coined cash, the proportions of the alloy were fixed at 7 parts copper and 3 parts zinc. In the fifth year of KIENLUNG (1741), the ingredients were altered to 50 parts of copper, 41½ of zinc, 6½ of lead, and 2 of tin. Analysis has, as might be expected, shown a great diversity in its composition. In some of the best specimens, the constituents are copper 79,

zinc 10, lead 7, and tin 4; in others the copper is alloyed with 10, 20, 30, and even 40 per cent. of tin; sometimes, copper and zinc alone are found, and again, iron mixed with them. The weight of the pieces was also reduced, so that a large proportion of the coinage of Taukwang's reign weighed only 3 or 4 candareens. They were still regarded as a legal tender, but the government bankers in some places indemnified themselves for the depreciation by making the tax-payers add as much as 40 per cent. for loss when exchanging them into Sycee.

In the reign Hienfung, the government became so impoverished, that it resorted to many expedients to revive its credit; iron cash and paper notes were substituted for the copper cash. The former were cast of the full weight of one mace, and larger ones, bearing the different values of 10, 20, 50, and 100 cash each, were made at Peking in 1853 and 1854. A few tons of this wretched emission were forced upon the people, but the attempt signally failed as a whole, and the iron cash remained at the capital in the hands of the officials, who had wasted fully a million of taels in the foolish enterprise. Since the opening of the Japanese trade, many tons of small copper cash have been imported into China, where they pass current with others.

Silver and gold coins were both used in China at different periods of ancient history, but none have been issued by the present or any modern dynasty. A consciousness of their inability long to maintain the standard alloy and weight throughout their vast domain, and a knowledge of the facility with which the coins could be counterfeited, combined with their ignorance of the advantages of standard gold and silver currency, and a disposition to meddle with the coinage, explains why the Manchu emperors have never attempted to circulate silver coins. Since they ascended the throne, the empire has widely enlarged its trade and resources, but the currency at present is rather worse than then.

Spanish, Mexican and South American dollars (though not acknowledged by the government) are employed as a commercial medium throughout the maritime provinces; but the habit of stamping them soon takes from them one of the chief advantages of coined money—that of having a fixed and certain weight. The broken dollars in circulation, being always taken by their weight, do not differ materially from Sycee silver. The only difference is, that the former has a fixed, the latter an uncertain, standard of purity; and dishonesty practiced with the former does not requite the labor, and is more readily detected than when practiced with the solid ingots of the latter.

The nominal moneys of account are the 兩 liang, 錢 tsien, 分 fan and 釐 li, called by foreigners tael, mace, candareen and cash, the proportion of which, one to the other, is decimal. The candareen is equal, only in accounts, to ten cash, but owing to the deterioration of the coin, its actual value at Canton, in 1854, was about the eighteenth part of a candareen, 1,900 ordinary cash

or 1800 picked ones being paid for a tael. Since that time, owing to the export of cash and other causes, the exchange has risen, and only 1,350 to 1,400 can now be obtained for a tael. The rate is constantly fluctuating, however, and is only mentioned here chiefly to show the extremes. At Amoy, in 1850, a Spanish dollar would purchase 3,600 pieces of the poorest kind, but only 1,300 selected ones to take to Bali, or 1,560 current ones as they run on the strings. In Canton, at the same time, a dollar bought about 1,200 current cash, and at Shanghai 1,750. In 1863, a dollar, at the same three cities, would exchange for 1,100, 1,050 and 1,100 pieces, showing the result of freer intercourse.

The terms tael, mace, candareen, and cash, are merely denominations of weight, the cases in which stamped pieces of silver (other than clean dollars) pass current as coin, being few, except in small transactions. It is more convenient, however, to speak of them as nominal moneys. In the time of the E. I. Company the usage of trade acknowledged a slight difference between the money and the commercial tael, at the standards assigned by foreigners to each; for at the money standard of 120 oz. 16 dwts. troy, for 100 taels, a picul of 1,600 taels should weigh 132 535–1,000 lbs. avoirdupois, while its actual standard was 133⅓ lbs; and it followed, therefore, that while three taels' weight equaled 4 lbs., three taels of money were equal $4.16. The difference appears to have arisen from the different rates of paying out money, and, perhaps too, from convenience with respect to turning Chinese into English weights, and *vice versa*. At present there is no difference allowed, and at the rate of 717 taels per $1,000 it is really almost inappreciable.

The circulating medium in transactions with foreigners, at the open ports, is chiefly whole and broken dollars; the value of the dollar in relation to the tael varies in different transactions. In calculations or accounts between foreigners and merchants, and almost always in bargains among the Chinese themselves, taels are converted into dollars at the rate of.........taels 720 per $1000
But payments in cash are generally weighed at " 717 "
Tradesmen generally, when paid by compradors, received payments at........715 to " 717 "
Payments into the E. I. Co's treasury were at " 718 "

The value of the tael in relation to Sterling money was reckoned by the East India Company at 6*s.* 8*d.*, but its intrinsic value varies according to the price paid for dollars per ounce in London. Hence, to convert taels into sterling money, multiply the price paid for dollars by the multiplier 1.208. Thus, if the price of the dollars be 60*d.* per ounce, the value of the tael will be $60 \times 1.208 = 72$ 48–100*d.*; if at 66*d.*, it will be 79 728–1,000*d.*; and for any other price in the same proportion.

In the northern ports the value of dollars is estimated according to their purity in comparison with Sycee; but as they become more known, their uniform size and purity makes them convenient

for payments, and causes them to gradually advance in proportion. At Tientsin and Ninchwang, the usual exchange is 70 taels' weight of Sycee for $ 100, which is nearly the par value; while at Shanghai, where they are better known, they range from 74 to 81 taels per $ 100; and still again, at Canton, where they are best known, they are rarely worth over 72 taels per $ 100.

Dollars, even of the same weight and purity, are not received alike by the Chinese; thus, at Chusan and Ningpo, during the war of 1842, Republican dollars passed more freely than Spanish dollars; but certain coinages of the latter in the reign of CARLOS IV, called old-head Carolus dollars, if uninjured, used to bear a premium, sometimes at Canton as high as twelve per cent.; while undefaced Ferdinand dollars were only a little above par, or chopped dollars. One kind of Spanish pillar dollar, bearing the stamp of the letter G. or. Ga., denoting that it was from the Guadalajara mint in Mexico, called by Chinese kau tsien, 鈎錢 or "hooked dollar," from its resemblance to that letter, was at the same time received at a discount, sometimes as great as five per cent.

The fastidiousness of the Chinese respecting certain coins is like that of the Turks and Arabs; and among them all it probably arose from the habit of receiving coins of a certain stamp, from a uniform experience that they were always good; this habit disinclined them to receive any other sorts from ignorance of their purity; and through the influence of native bankers and speculators, a difference of exchange among the kinds of coins was maintained for their own advantage as long as possible. The custom of secreting coins of undoubted purity is common among the Chinese, and strengthens this artificial premium and discount in country districts.

In the year 1853, after many previous ineffectual efforts, an arrangement was made among foreigners in Canton to remedy these troublesome distinctions, and, at the instance of their consuls, was enforced upon the Chinese by their own authorities. By it all silver coins were made receivable at their real value in payments at the Custom House. All kinds of dollars soon became current there with Spanish dollars, but still by weight, at the rate of 717 taels per $ 1,000. The preference of the Chinese in the interior for Carolus dollars caused them all to be collected at Canton, and sent wherever a premium could be obtained. In 1853, the disturbed state of the country having rendered imports less salable, there were large importations of specie and bullion (chiefly of Mexican dollars) to settle the balance of trade in favor of CHINA. In the twelve months from September, 1853, $ 12,100,000 were brought to Hong Kong. These importations diminished as soon as a reaction in the general import trade occurred, and the annual importation for six years, up to 1856, did not average £1,000,000. In 1859, the flow of specie changed towards CHINA more decidedly. The previous year about twenty-six millions of dollars

passed through Hong Kong, of which over fourteen millions were from eastern ports, and about twenty-one millions went to INDIA; but in 1859, out of thirty millions passing through Hong Kong, nearly nineteen millions came from EUROPE and CALIFORNIA, and over twenty millions went to the eastern ports, most of it to buy Japanese kobans and raw silk.

Transactions at Canton are now conducted by means of Mexican dollars, with a continually increasing proportion of bank notes from Hong Kong. At Shanghai, the clean "old head," (or 四工銀 sz'-kung-yin) dollars maintained their superiority till 1861, and were valued about one-fifth higher than other descriptions. They then began to depreciate, and are now quoted less than clean Mexicans. The currency at that port consists of Mexican dollars and Sycee, and the former are coming rapidly into use throughout the silk and tea districts, in place of Spanish coins, which are therefore reappearing in the maritime ports.

The following remarks upon Chinese currency, though written several years ago, are still valuable, as they describe many particulars respecting counterfeiting dollars, and other features of the currency still existing; they are inserted with slight alterations. As long as the Chinese government is unable to maintain a standard coinage, these anomalies will remain in its currency.

"The dread of change, which has been generally considered as the leading characteristic feature in the domestic, as well as foreign policy of CHINA, has extended its full influence to the circulating medium of the country. The government is determined that its officers, at least, shall suffer no defalcation by depreciation of the currency; and hence the imperial taxes and duties are required to be paid in pure silver. In every large town are yin tien, or 'money shops,' the inferior class of which are establishments of money changers and shroffs; the more respectable are private banks. Of the latter class, every officer, who has any superintendence of the revenue, employs one or more to receive the taxes and duties, with a fixed allowance for loss in melting, and, having reduced them to Sycee silver, to become responsible for the purity thereof. The establishments which are thus connected with government are licensed, a privilege for which they have to pay, but not largely. They are remunerated by the surplus allowance or waste, which always exceeds what is necessary. Taxes are generally handed over to them by the government; mercantile duties are paid into their banks by the merchants from whom they are owing, and the banker in such case gives the merchants a receipt for the amount, accompanied by a certificate that it shall be paid to government within a certain period. The refined silver is cast into ingots, and stamped with the names of the banker and the workmen, the year and district in which it is cast, and sometimes the kind of tax for which it is cast to pay. Should any deception be afterwards discovered, at whatever distance of time, the refiner is liable to severe punishment.

"However wisely this system may have been contrived for the maintenance of the Imperial resources, in a commercial point of view it is most burdensome and inconvenient. Since the establishment of foreign trade, the introduction of dollars has supplied the defect to a certain, though but very limited, extent; and so sensible did the native authorities appear to be of its advantages, that, for a time, the coinage of dollars in imitation thereof was allowed—nay, even practiced under authority of a provincial treasurer. 'But,' says the *Yin Lun*, a Chinese treatise on money, 'though they commenced at a higher rate than the foreign dollars, in a short process of time they sank greatly below the standard, whilst the foreign money preserved its original degree of purity.' The manufacture of dollars is now disallowed by the laws, but, according to the common report of natives, is still carried on in spite of them to a very considerabte extent. In the district of Shunteh, south of Canton, there is said to be a very large establishment, in which as many as a hundred workmen are frequently employed. Dollars are there manufactured of all gradations of value, some alloyed with lead, some made of base metal and coated over with silver, and others deteriorated by cutting out pieces of silver and filling up their places with lead, disguised by repeated stamps; this last method is frequently practiced with genuine Spanish dollars. These false coiners are said to possess European stamps, procured at great expense; but sometimes they attempt imitations, in which the omission or disfiguring of some letters betrays the deception to a European eye. So common, however, are their dollars in circulation, that men from this district are most usually selected as shroffs, and there is a book in print for the use of the public, giving an account of the process of manufacturing each variety of false money, and rules for detecting the forgery. These rules are practically known by the shroffs, so that they can tell the description of dollars or degree of alloy at a glance. When the dollar is made of true value, the imitation is often very good, and detection is indeed difficult; yet the shroffs perceive the imitation and reject it. The profits of the concern in Shunteh are so large that it can easily afford to quiet all interference on the part of the local officers."

On the east coast of CHINA smooth-faced dollars used to occur in large quantities, which were round pieces of unstamped silver of a dollar's value, mixed with other dollars worn smooth. The provincial treasurer of Fuhkien issued a native coin in 1838, about the size of a Spanish dollar. The obverse bore a portrait of the God of Longevity, with an inscription showing that it was cast in the reign TAUKWANG, and by the treasury scales weighed 7 mace 2 cand., and was tsuh wan yin ping, *i. e.*, "a cake of pure Sycee silver.' The reverse exhibited a tripod, denoting that it was a government coin struck for the army, with the legend, Taiwan, in Manchu, to show that it was cast in Formosa. The workmanship of this coin was very rude. In 1842 this piece had already depreciated in weight, and in 1845 it was five per cent.

under weight. An attempt was also made at Changchau, near Amoy, to coin silver in 1844; the first issue weighed 7.4 mace, but the pieces soon deteriorated fifteen per cent., and all of them vanished from circulation.

With regard to the cash, which is the only native coin now in circulation, the government have, within the last few years, taken strong measures to suppress the private manufacture of it, but in vain. The rapacity of the governors is strongly exemplified also in its gross adulteration since that issued in the reign of KANGHI, about 160 years ago, or even since that of KIENLUNG, not more than 80 years since. It is debased in the coarsest manner, with iron dust and sand (tieh sha) and presents a gritty appearance to the eye.

"In CHINA, as in EUROPE, coins and medals have attracted the attention of antiquarian collectors, and some of them offer subjects of interest to the curious. The most elaborate work on the subject is the *Recuiel des Monnaies* of Baron S. DE CHAUDOIR, published at St. Petersburg, in 1842; two monographs have also been published in the Asiatic Society's *Transactions at Hong Kong and Shanghai.* In the middle ages of CHINA they were valued as affording specimens of many ancient forms of characters which, in the time of feudal anarchy immediately preceding, had been forgotten. Symbolical figures of birds and animals are those with which the medals are generally stamped. Coins are also strung together in different ways and worn on the person, especially of children, whose parents go around among their friends to beg a cash from each to make an amulet for the child, under the belief that their fortunes will thereby be linked with his. Good cash, of KANGHI's reign, are often suspended over beds as charms, and sometimes as ornaments. This fancy does not appear peculiar to the Chinese. 'Many of the ancient coins found in GREECE,' says WALPOLE, 'are pierced, and through the hole a string is passed, by which they are hung as ornaments round the heads of women and young girls. The custom is not new. We find it mentioned by CHRYSOSTOM, who particularly refers to the coins of ALEXANDER. Every traveler in SYRIA at the present day has seen women and others wearing coins hung on their veils and strung around their necks."

A few remarks on the banking establishments above referred to will not be irrelevant to the present subject. There are some bankers not connected with ordinary mercantile business; but the majority are either agents, who pay at will, in which case no interest is allowed; or they take money at an interest not exceeding 12 per cent., in which case some days' notice must be given before any portion can be withdrawn. They do not appear to differ materially from similar establishments in EUROPE; but they are not chartered or privileged banking companies. Paper money was formerly issued by the government, but not at present in its own name or guaranty, though no restrictions are placed on its

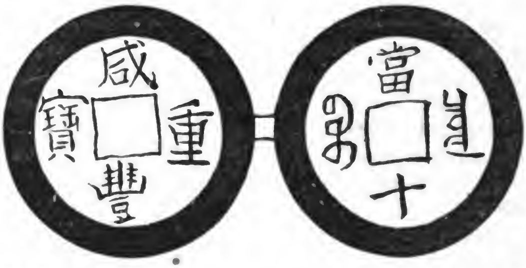
circulation. The year A. D. 807 is mentioned as the epoch when the emperor opened deposit banks for copper or iron coin, for which the depositors received sight notes payable to bearer, called fei-tsien or flying money. The credit of these notes depreciated, but in 970 the institution was revived by the emperor, and during the next 50 years about 4½ million dollars' worth of these notes were called in. They were in favor over the copper and iron money, and their value was maintained for a long time, until the Mongol emperors systematically began to cheat the people out of their property by issuing assignats, and lost the throne in consequence. Government bank notes have ever since been suspected by the people.

Promissory notes circulate with nearly the same facility as in EUROPE. Many of the Canton banks confine their transactions to this and the adjoining province of Kwangsi. Some have correspondents in one or two other provinces; and a few only have agents in all the provincials. The provincial capitals are the seats of the most influential banks, but in comparison with EUROPEAN institutions, none of them have as wide a correspondence. There are in some places banks of loan, which advance money for short periods, at a daily interest of about half per cent., for periods of at least three days.

The central and provincial authorities employ bankers to make their revenue payments—to receive taxes, to assay the Sycee received into the treasury, and manage disbursements on public account. Private persons can obtain loans on discount, or letters of credit on other cities, and sell their notes on other banks at a reasonable discount. The managers speculate in gold, silver, and cash, make advances on grain or other crops, and hypothecate their funds on real estate or marine ventures. The institutions are connected with each other for mutual aid or advice, but with all the precautions taken by the depositors, bill holders, or managers against frauds, the average losses are large. The reported capital of the best bank at Fuhchan is only a million of dollars, and the banks in this city have as good a reputation as any in the empire. Their notes range in value from 300 cash to 1,000 taels, though those of 50 taels and upwards are rather promissory notes than bank bills. They are beautifully printed, and stamped with intricate scrolls and elaborate mottoes.

In the northern cities bank bills form a large part of the circulating medium, and have gradually inflated the currency to an extraordinary degree. Their circulation is limited to the neighborhood of the bank, to which they soon return to be exchanged and reissued. In Tientsin there are over 300 banks which issue notes of demand; the authorities merely require the managers to give a certain amount of security for their solvency. The notes are much smaller than BANK OF ENGLAND notes, and printed on strong, coarse, mulberry paper; the face bears various cyphers, stamps and mottoes, in red and black ink, to prevent counterfeit-

ing. They range in nominal value from 100 up to 10,000 cash and more; but, at present, are not worth, in exchange for copper, one-half of their face.



Size and Device of the Tang-Shih used in Peking.

The obverse bears the Emperor's reign, HIENFUNG, with the characters, chung pau, on the sides, meaning HEINFUNG'S "consolidated currency." The reverse gives the name of the coin, tang-shih, *i.e.*, "worth ten," with the usual legend in Manchu.

At Peking paper money is more abundant than at Tientsin, but the peculiarity of its currency is that the basis is a copper coin, like the cut here given, which was forced upon the citizens, and has now no circulation beyond the walls of the capital. This was made of nearly the legal alloy, and each piece was nominally worth ten cash; it nearly weighed that at first, but soon depreciated in weight to about four of the small cash, though still current for ten. However, the people had no choice but to accept it, for the common cash all soon disappeared, and the paper money alone remained; they would not be cheated with the tang-shih pieces, and accordingly made the bank notes to correspond with them in nominal value. As the cash deteriorated in size so did the bank notes rise in exchange, and thus the Imperial financiers were completely foiled. At present the ten-cash coins are reckoned at twenty cash in paper, but only forty-nine can be procured for a bill of 1,000 in cash. Since the allied army came to the city, in 1860, Mexican dollars have become well known to the shops, but do not circulate generally. It might be inferred that the rate of exchange between Sycee and a paper currency based on the tang-shih would vary incessantly. In the course of two months, in 1862, it ranged from 5,900 to 7,000 paper cash, or 291 to 343 tang-shih for a dollar; but these extremes were unusual. At Peking, Tientsin, and all important towns at the north, the rate of exchange between copper cash, bank notes and Sycee is settled daily by agreement among the bankers.

Nearly allied to the banks are the establishments of pawnbrokers, which are very numerous in CHINA. The licensed ones are of three classes. Those which possess large capital and are licensed to grant loans to any amount are placed under considerable restrictions; they allow three years to redeem, with a grace

of three months. These have to pay largely for their licenses, and are also subject to an annual tax. They must give three years' notice of retiring. Inferior pawnbrokers are licensed to allow only two years to redeem. And others again, of a still lower description, may sell off the pawned articles after one year; but freemen are not permitted to open such establishments. Unlicensed pawnbrokers are liable to severe punishment. The length of time which they are compelled to allow for the redemption of pledges is very injurious to them, as the articles must often lose their entire value. If a pawnbroker suffer from theft or from fire originating in his own premises, he is not exonerated from the responsibility of repaying to the pawnee the value of articles which he had in pawn. When fire is communicated to the pawnbroker's house from a neighbor's, he is required only to make good half the amount of loss. The highest legal rate of interest is three per cent. per month; but in the winter months it may not exceed two per cent. on raiment, so that the poor may be enabled more easily to redeem. The pawnbrokers issue tickets for the articles they take, which again have a certain value, and are hawked in the streets. These shops offer great temptations to thieves, who can immediately place their plunder on the shelves, and, by hiding or destroying the tickets, prevent the right owners from recovering their property. The statement which has been sometimes made respecting interest among the Chinese, that it is usually paid during only ten months of the year, appears to have originated in error. One or two months' freedom from paying interest is sometimes allowed as a matter of favor, but we cannot learn that any rule exists on the subject.

The rate of interest for ordinary loans depends, in CHINA, as everywhere else, on the risk of property; but nowhere in the Empire does it reach the legal limit. At Canton, the rate ranges from 10 to 15 per cent. per annum, according to circumstances, and 12 per cent. if no special agreement is made. On loans made on pledges, if a small amount, the legal rate is usually charged; and this usage throughout the Empire is pretty uniform, so far as can be learned. On this subject, the translator of the Chinese Penal Code has some remarks, in a note to those sections of Chinese law which come under the head of Usury:

"In a state of things so unfavorable to the accumulation and transfer of property, there cannot, at any time, be much floating capital; and the value of that capital, as far as it is denoted by the interest which it is natural to expect, will be high in proportion to its scarcity. In other words, where there are many borrowers and few lenders, and where it forms no part of the system of the government to grant to the former any peculiar degree of protection or encouragement, it seems a necessary consequence that the latter will both demand and obtain a more than ordinary compensation in return for the use of his property. Trade, therefore, as far as it requires such aid, cannot be so

extensively carried on as it is in those countries in which, there being more available capital, that capital is procurable at a cheaper rate, and accordingly, a small return of profit found adequate to the charges of commercial adventurers.

"The rate of interest upon a peculiar loan (quoting the words of Sir George Staunton) must, generally speaking, be influenced by a two-fold consideration. Besides what is considered to be strictly equivalent to the advantage arising from the use of money, the lender must be supposed, in most cases, to receive likewise a certain compensation for the risk to which he exposes his principal. The former consideration will always be limited by, and bear a certain ratio to, the peculiar state and degree of the general prosperity; but the latter can evidently be determined by no rule or proportion which does not include the consideration of the relative situation and circumstances of the parties interested in the transaction. In England, indeed, where the security of property and the exclusive rights of individuals are so well understood and so effectually protected by the laws, it may, in general, be almost as easy to guard against risk as to compensate for it. But in China, where the laws connected with property are comparatively vague and undefined, and being distinct from the sources of power and influence, are less the law's regard; where, owing to the subdivision of property, there are few great capitalists; and where, also, there is but little individual confidence, except between relatives, who, holding their patrimony in some degree in common, can scarcely be considered as borrowers or lenders in the eyes of the law; it is not so surprising that it should be deemed expedient to license, in pecuniary transactions, the insertion of stipulations for very ample interest."

Gold and silver formerly could not legally be exported from China except in foreign coins, but, by the treaties, treasure was made free of all duty. A large amount of silver was, up to 1853, annually taken away to India, in broken dollars and in bullion, but chiefly in the form of Sycee—this word is a banker's term given to fine silver, because it is like 細絲 sai-sz, or fine silk; it is also called 紋銀 wan-yin, or pure silver. The most common weight of the ingots is ten taels each; their shape resembles a parallelopiped, smooth and flat on the upper, but rather rough and rounded on the lower surface, and bearing a slight resemblance to a Chinese shoe, from whence they are called shoes by foreigners. They vary in size from fifty taels' weight down to three mace, and are always stamped with the seals of the assayer and banker in evidence of their purity. The foreign coins gradually lose their integrity by the stamps they receive, and are at last assayed and melted into Sycee, and thus enter the circulation undistinguished from the native production.

The fineness of gold and silver is expressed by dividing the metal into a hundred parts, called touches. Thus, if an ingot be said to be at ninety-five touch, it is understood to contain five

parts of alloy and ninety-five parts of pure metal. The fineness of the metals, as thus expressed, may be converted into English proportions by the following analogies. If gold, for instance, be at 91.66 touch, say as 100 : 91.66 : : 12 : 11, the standard, and *vice versa;* and, to convert standard silver into touch, say as 240 : 222 : : 100 : 92.5, the touch of sterling silver.

TABLE OF CHINESE MONEY WEIGHTS.

Taels.	*Mace.*	*Cand.*	*Cash.*	*Drs. Avr.*	*Grs. Troy.*	*Grammes.*	*Tolas.*
1	10	100	1,000	21.33	579.84	37.796	3 23
—	1	10	100	2.13	57.984	3.7799	—
—	—	1	10	0.213	5.7984	0.378	—

Money is never reckoned above taels, and other articles are usually reckoned in decimals when under a tael. The curious resemblance between Chinese weights and English avoirdupois weights, in the single point of sixteen taels, or ounces, making one catty, or pound, greatly simplifies the conversion of prices per ounce or tael, when the cost is reckoned in dollars.

The tael is the integer of money weights, and its variations throughout CHINA are less than those of the catty and picul. It does not repay the trouble to search out these discrepancies in a country where local usages are stronger than law, for every merchant will learn them at the port he does business at. An inquiry was made of the bankers at Peking respecting the weight of the tael there, and they furnished the weights used in different transactions. In the capital itself five kinds of scales are recognized, in each of which the tael differs:

1st. The market scales 市秤 shi-ching, used in common transactions, and described "as four per cent. lighter than the treasury scales." This tael weighed 548 grains Troy.

2d. The Peking scales, 京秤 king-ching, considered to be the same as the last. This weighed 541 grains.

3d. The legal scales, 公法秤 kung fah ching, used in exchanging silver, and described "as 3 2-5 per cent. lighter than the treasury scales." This tael weighed 552 grains.

4th. The two-tael scales, 兩秤 'rh liang ching, sometimes called the old scales, 舊秤 kiu ching, used in buying articles, and described "as six per cent. lighter than treasury scales." This tael weighed 539 grains.

5th. The treasury scales, 庫秤 ku ching, used in taking revenue. This tael weighed 579 grains, or same as the standard recognized at Canton.

Besides these, the bankers at the metropolis recognize a different value for the money tael at the cities Tung-chau and Tientsin, near them; another at Suchau, current throughout the province of Kiangsi; and a fourth, called Canton weights, 廣司碼 kwang sz' ma, of which there are four rates, respectively indicated

by the decimals .995, .996, .997 and .998 of the standard treasury scales at the capital. A Mexican dollar, weighed by different Peking scales, ranged from 6 mace 9 cands. to 8 mace 2 cands.; its current rate is 7 mace. To these diversities in weight must be added the different touches of Sycee, and one gets an idea of the perplexity and confusion connected with the currency throughout the empire.

It appears, from a memorial addressed to the Emperor in 1838, that most of the native silver is obtained from mines at Hoshan, in Yunnan, in the department of Tsiang chau, and at Sungsing, on the borders of COCHIN CHINA. These mines are farmed out by the government to overseers, and between forty and fifty thousand workmen are employed in them. The annual produce is not far from two million taels of silver. There are other mines in the empire not so rich as these two, though probably more productive in the aggregate; but it is impossible even to guess what amount CHINA receives annually from her gold and silver mines.

PHILADELPHIA VIEWS.—Those conservative, clear-headed people who see the best interests of the country in a sound and steady currency, are a little concerned at the vote of the House of Congress, in January, on Judge KELLEY'S motion to suspend the rules in reference to his scheme of inflation, lest the cheap currency party may be stronger than was supposed. The proposition required a two-thirds vote, which was obtained within three. Immediately succeeding the vote just mentioned, a resolution offered by Mr. HOLMAN passed—221 to 3—declaring that taxation was not necessary if proper retrenchment was adopted. Then, as a climax to these steps, passed without even the formality of division, General HAWLEY'S resolution, declaring as the sense of the House that there should be no addition to the interest or non-interest-bearing debt, and the terms of the resolution were held to cover the issuing of the forty-four million reserve. While appearances are, on the whole, against any inflation policy, even in the House, the Senate is the conservative body, and we think may be trusted to remain across the path of any policy that looks to be a cheapening of the currency and the complication of matters financial. There is no just cause for apprehension in the KELLEY vote. It is one thing to secure an expression of opinion from a body like the House, and quite another to frame a satisfactory law in conformity with it. The fact is, that every member who has a pet scheme of finance, framed to exclude the necessity of any further taxation or payment of debts, and every one who shrinks from facing a difficulty and having it over with, is sure to favor a resolution like that of Mr. KELLEY'S, as it has a comforting sound and involves no responsibility.—*Daily Ledger.*

ENCOURAGEMENT OF SPECULATION BY BANKS.

We have repeatedly alluded to the extraordinary volume of loans by the banks of the country. The late panic was largely produced by inflation. If the banks had lessened their loans, instead of increasing them, in the years 1871–1873, they would thereby have maintained a reserve of legal tenders to the extent of seventy millions, as in July, 1871, instead of thirty-four millions, as early in September, 1873. If the evil had been confined to the banks of this city there would have been no panic; but it will be found that the banks of New York give *a tone* to those of the large cities and of the whole country. Hence, the entire body followed the example of New York, and gave encouragement to speculation, extravagance, and foreign indebtedness.

No clearer proof is wanted of this statement than the recent bankruptcy case of WHITE, PAGE & BARNARD—a firm that attempted, by the aid of many banks, through extravagant loans, to make a corner in lumber; or, by vast means, to control the lumber market, and thus drive prices to exorbitant figures. An advance of fifty cents or a dollar per thousand feet of lumber would result in fortunes to a clique.

We do not know that the statement of Mr. SEIXAS, annexed, is true or can be substantiated; but there is no doubt that the banks unwisely encouraged the speculative mania. Another instance will confirm this. One Trust Company of this city loaned $ 1,800,000 to one concern, resulting in failure of the Trust Company. Can this be considered a TRUST COMPANY? Far from it. Such conduct indicates anything but a *Trust Company.*

We now re-publish the proceedings in bankruptcy against the lumber firm as a matter of history, and as a caution to banking institutions to loan their funds where they will promote legitimate trade. Such loans as are here alluded to effectually cut off small dealers:

THE LUMBER FAILURES.

Appointment of Trustees and an Advisory Committee Confirmed.

The creditors of DOUGLAS L. WHITE, A. S. PAGE and S. W. BARNARD, bankrupts, met on December 30, 1873, before Register FITCH, of this city, proved claims against them to the amount of $ 1,700,000, and adopted a resolution appointing the following as trustees to manage the estate of the bankrupts: ALFRED WILKINSON, GEORGE C. PETERS and FRANCIS C. BARLOW. A resolution

appointing the following as an advisory committee of five to assist the trustees in their duties was also adopted: FRANCIS A. PALMER, HENRY W. SAGE, BENJAMIN B. COMEGYS, GEORGE I. SENEY and GEORGE S. COE. Register FITCH certified the resolutions to Judge BLATCHFORD, of the United States District Court, and reported adversely upon them on the ground that, in his opinion, they were prejudicial to the interests of the majority of the creditors. G. A. SEIXAS, Attorney for the BROADWAY NATIONAL BANK, which had proved claims against the bankrupts to the amount of $143,000, applied, in January, to Judge BLATCHFORD, for an order confirming the appointment of the trustees and the advisory committee, on the ground that three-fourths in volume of the creditors had voted for them, and that they were well calculated to protect the interests of every one having a claim against the bankrupts. The CITY NATIONAL BANK of Binghamton, which had proved claims against the bankrupts to the amount of about $ 8,000, opposed, through Mr. McMAHON, its attorney, the confirmation of the trustees and the committee, on the ground that they were too numerous to act harmoniously in managing the estate, and suggested that Mr. WILKINSON be appointed either assignee or sole trustee. Judge BLATCHFORD granted, promptly, the order applied for by Mr. SEIXAS, and the trustees and committee specified in the resolutions of the creditors are, therefore, confirmed.

The assets and estate of the bankrupts who composed the firm of DOUGLASS, WHITE & Co., lumber dealers at Albany, consists of lumber tracts, lumber and lumber mills in CANADA, MICHIGAN, and the north-western part of this State. It is said that the firm failed on account of joining in the attempt to "bull" the lumber market about a year ago. The firm was adjudicated a bankrupt in November, 1873, on the petition of the CONTINENTAL NATIONAL BANK of this city, whose claim is for $ 30,000. It has been ascertained that the following are among the heaviest creditors of the firm:

The METROPOLITAN NATIONAL BANK of this city, $ 60,000; H. W. SAGE & Co., $ 119,000; The FARMERS AND MECHANICS' NATIONAL BANK, of Philadelphia, $ 57,000; WILLIAM E. DODGE & Co., $ 443,887; C. H. HAMILTON, $ 63,942. The last two claims are secured.

Mr. SEIXAS *says that nearly every authorized bank in this city has a claim against the firm, and that the largest one is for about* $ 100,000, *and the smallest for about* $ 5,000.

The trustees and the committee will immediately proceed to settle the estate of the bankrupts, and, having larger powers than an assignee, they can act in the matter without continual applications to the Court for instructions.

THE LEGAL-TENDER CASES.

WHAT THEY DECIDE.

From the American Law Register.

It is purposed in the following pages to give a statement of the facts, and a summary of the opinion of the court, in each of those causes which have been adjudicated in the Supreme Court of the UNITED STATES, known as the "Legal-Tender Cases," so far as the constitutionality of the "legal-tender clause" of the "Currency acts" is involved. A similar statement and summary will also be given of each of two other causes which bear a close relation to the former, and are supposed to reflect the history of the *animus* of the court upon this subject.

Some of the legal-tender cases, in which no new principle was decided, and still other causes in which the same subject was argued, but which were decided on other grounds, and not thought valuable in our present view of the matter, are purposely excluded from consideration.

As is well known, the first act of Congress which made treasury notes a legal tender was that of February 25, 1862, and the clause so constituting them was couched in the following terms: [these notes] "shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the UNITED STATES, except duties on imports, and of all claims and demands against the UNITED STATES, of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin: and shall also be lawful money and a legal tender in payment of all debts, public and private, within the UNITED STATES, except duties on imports and interest as aforesaid."

In the subsequent acts on this subject, substantially the same terms were used.

I. The first case touching upon the constitutionality of the act was that of the BANK OF NEW YORK *v.* THE SUPERVISORS, (7 WALLACE, 26,) brought up from the Court of Appeals of NEW YORK. There had been assessed against the bank by the State authorities certain taxes upon the capital stock of the bank, the payment of which seems to have been made under protest, upon the ground that, though nominally imposed upon its capital, the tax was in fact upon the bonds and obligations of the UNITED STATES, in which the bank's capital was invested, and which, under the constitution and laws of the UNITED STATES, it was claimed, were exempt from State taxation. After the position of the bank, in this regard, had been sustained by the Supreme Court of the UNITED STATES, the Legislature of the State of NEW

YORK provided by law for refunding to the bank such taxes as had been paid by it, when imposed on its capital invested in securities of the UNITED STATES exempt by law from State taxation. The supervisors, whose duty it was to audit the claims of the bank, refused to allow the claim for exemption from tax of the legal-tender notes, and the Court of Appeals of the State of NEW YORK supported the supervisors in that refusal.

The opinion of the court was delivered by the Chief Justice, who said: "That these notes were issued under the authority of the UNITED STATES, and as a means to ends entirely within the constitutional power of the Government, was not seriously questioned upon the argument. Apart from the quality of legal tender impressed upon them by the act of Congress, of which we now say nothing, their circulation as currency depends upon the extent to which they are received in payment, on the quantity in circulation, and to the credit given to the promises they bear. In these respects they resemble the bank notes formerly issued as currency . . . It is clear that these notes are obligations of the UNITED STATES. Their name imports obligation. . . The dollar note is an engagement to pay a dollar, and the dollar intended is the coined dollar of the UNITED STATES."

The court then go on to show that Congress has provided for the exemption of the notes from State taxation, and say: "Our conclusion is that United States notes are exempt; and at the time the New York statutes were enacted were exempt from taxation by or under State authority."

II. The next case was that of LANE COUNTY *v.* OREGON, (7 WALLACE, 71,) the facts being in substance as follows:

After the passage of the Legal-Tender act the Legislature of OREGON passed a statute enacting that "the sheriff shall pay over to the county treasurer the full amount of the State and school taxes in gold and silver coin, and that the several county treasurers shall pay over to the State treasurer the State tax in gold and silver coin."

The State of OREGON, in April, 1855, filed a complaint against Lane County to recover $ 5,460.96, in gold and silver coin, alleged to be due the State.

To this complaint an answer was put in by the county, alleging a tender in United States notes. A demurrer to the answer was sustained by the Supreme Court of the State, and the judgment was affirmed by the Supreme Court of the UNITED STATES, on the ground that the clause making United States notes a legal tender for payment of debts had no reference to taxes imposed by State authority.

III. BRONSON *v.* RODES, (7 WALLACE, 229,) next claimed the attention of the court, the case being substantially thus: BRONSON, acting as executor, in December, 1851, had taken a mortgage on certain land in Erie County, NEW YORK, for $ 1,400, payable in

gold and silver coin, lawful money of the UNITED STATES, which RODES had afterward assumed to pay. In January, 1865, RODES tendered BRONSON United States notes to the amount of $1,507, a sum nominally equal to the principal and interest due. At the time of tender one dollar in coin was equivalent in market value to two dollars and a quarter in "legal tenders." The tender being refused, the notes were deposited in bank to BRONSON'S credit, and a bill was filed by RODES to compel BRONSON to satisfy the mortgage. The Court of Appeals of NEW YORK having decreed the satisfaction, the case was brought to the Supreme Court of the UNITED STATES for review.

The Chief Justice delivered the opinion of the court, and in it he adverted to the fact that prior to 1837 the gold and silver coins of the UNITED STATES were made lawful tender in payments according to their respective [actual] weight—if of full weight, at their declared value, and if of less, at proportionate values. But when the act of 1837 was passed, the methods and machinery of coinage had become so nearly perfect that the deviation in the weight of the respective pieces from their standard had become so slight that Congress provided that the gold and silver coin of the UNITED STATES should be a legal tender in all payments, according to their respective nominal values. This course of legislation was thought to recognize the fact, "accepted by all men," that gold and silver possessed an intrinsic value, and as a circulating medium are the only proper measure of value. "A contract to pay a certain number of dollars in gold or silver coin was said, therefore, to be in legal import nothing else than an agreement to deliver a certain weight of standard gold or silver, to be ascertained by a count of coins, each to be certified to contain a definite proportion of that weight." He did not, therefore, suppose that it was the purpose of the coining acts to enforce satisfaction of a contract for bullion or gold dollars by a tender of depreciated currency, equivalent only in nominal count to the real value of the bullion or the coined dollars.

He did not think it necessary to examine the question whether the clauses of the currency acts making United States notes a legal tender are warranted by the constitution; but assuming that they are so warranted, and assuming that engagements to pay coin dollars may be regarded as contracts to pay money rather than as contracts to deliver a certain weight of standard gold, he proceeded to inquire whether it would be maintained that a contract to pay coined money may be satisfied by a tender of United States notes.

He observed that the statutes authorizing coinage and making coin dollars a legal tender had never been repealed, and concluded from this that there were two descriptions of money in use at the time of the tender in this case, both made legal tender in payments, and that contracts for either were equally sanctioned by law.

And he further argued that the currency acts themselves pro-

vided for payments in coin. Duties on imports were required to be paid in coin, and the merchant who has the duty to pay must contract for the coin in which to pay. And so the government may need coin to fulfill its obligations, and may find it convenient to contract for it, and these contracts could certainly not be satisfied with note dollars.

It was therefore held "that express contracts to pay coined dollars can only be satisfied by the payment of coined dollars; that they are not debts which may be satisfied by the tender of United States notes." And it was also determined that, when contracts made payable in coin are sued upon, judgment may be entered for coined dollars and parts of dollars; and where contracts have been made payable in dollars generally, without specifying in what description of currency payment is to be made, judgment may be entered generally without such specification.

In this judgment concurred all the justices except Mr. Justice MILLER; but Mr. Justice DAVIS and Mr. Justice SWAYNE expressly limited their concurrence in the opinion to its application to the particular case decided.

IV. The next case was that of BUTLER *v.* HORWITZ, 7 WALLACE, 258. A rent of £15 per year had been reserved in 1791 on a leasehold renewable forever, granted on a lot of ground in Baltimore, in current money of MARYLAND, payable in English golden guineas of a stated weight, and other gold and silver at their then established weight. On January 1, 1866, HORWITZ was the owner of the rent, and BUTLER of the leasehold interest in the lot, the latter being liable of course to pay the rent. It was agreed that £15 was equal to $40 in gold and silver, and BUTLER tendered to HORWITZ the year's rent ($40) then due, in currency. HORWITZ refused to accept it, and brought suit for the value of the gold in currency, $1 in gold being then worth $1.45 in currency, and the court below entered judgment in accordance with his demand for $59.71. BUTLER carried the case to the Supreme Court of the UNITED STATES for review, and the Chief Justice delivered the opinion of the court, saying that the principles which determined the case of BRONSON *v.* RODES would govern in this case. He observed that the judgment of the court below was rendered as the legal result of two propositions: [1] That the covenant in the lease required the delivery of a certain amount of gold and silver in payment of the rent, and [2] that the damages for the non-performance must be assessed in the legal-tender currency.

Of the first proposition he approved, but thought the second erroneous.

Damages, he remarked, for a breach of contract must be assessed in lawful money: that is to say, in money declared to be a legal tender in payment, by a law made in pursuance of the constitution of the UNITED STATES.

Not deeming the constitutionality of the legal-tender acts involved in the case in hand, he observed that there were two kinds of money in use under the acts of Congress in which damages might be assessed. "But the obvious intention in contracts for payment or delivery of coin or bullion, to provide against fluctuations in the medium of payment, warranted the inference that it was the understanding of the parties that such contracts should be satisfied, whether before or after judgment, only by tender of coin; while the absence of any express stipulation, as to description, in contracts for payment in money generally, warrants the opposite inference of an understanding between parties that such contract may be satisfied before or after judgment, by the tender of lawful money." It was therefore held that the damages should have been assessed, and judgment rendered in this case for the sum agreed to be due, with interest, in gold and silver coin, with costs.

In this judgment all the justices concurred except Mr. Justice MILLER, who dissented, holding that the agreement was for guineas as a commodity, and that the judgment of the court below was right.

V. WILLARD *v* TAYLOE, 8 WALLACE, 557. This case has not been generally considered one of the legal-tender cases, but for the reasons above given we give a summary of it here:

WILLARD, the proprietor of "Willard's Hotel," in Washington city, leased from TAYLOE, "The Mansion House," adjoining the former hotel, for the period of ten years from May 1, 1854, at a rent of $1,200 per year, and it was covenanted in the lease that the lessor should have the option of purchasing the premises at any time before the expiration of the term, for the sum of $22,-500, nothing being said about gold or currency. In April, 1864, two weeks before the period allowed WILLARD for the exercise of his option had expired (the property having greatly increased in currency value since 1854), he gave notice of his intention to purchase, and tendered the price in accordance with the agreed terms in United States notes, a gold dollar being then worth about one dollar and eighty cents in currency. The tender was refused, and WILLARD filed his bill in the Supreme Court of the DISTRICT OF COLUMBIA, praying a conveyance to him of the property.

This court dismissed the bill, and the case was carried to the Supreme Court of the UNITED STATES.

Mr. Justice FIELD delivered the opinion of the court. He said that when a contract was fair in its terms when made, it was the usual practice of courts of equity to enforce its specific execution, . . . but it was not the invariable practice. This form of relief is not a matter of absolute right to either party, but is a matter resting in the discretion of the court. . . . In general it may be said that the specific relief will be granted when it is ap-

parent from a view of all the circumstances of the particular case that it will subserve the ends of justice, . . . and not when it will work injustice or hardships to either party. If, however, the specific relief can be granted upon conditions which will relieve the case of hardship and injustice, that will be done.

Finding that WILLARD had used good faith in tendering what was currently received as money, and so declared to be by statute, and had submitted to the court to say what he should pay for the conveyance, it was said that the only question remaining was, "Upon what terms should the decree be made?" It was observed, that as gold and silver was the only currency recognized by law at the making of the contract, and was all that the parties had in contemplation, it would be inequitable to compel a conveyance for a sum in notes worth in the market, when tendered, only a little more than one-half of the stipulated price in coin. And it was therefore decreed that the conveyance should be made upon the payment of the stipulated price in gold and silver coin. In this judgment the Chief Justice and all the associate justices concurred, but the Chief Justice and Mr. Justice NELSON expressed their inability to yield their assent to the argument by which it was supported.

VI. HEPBURN *v.* GRISWOLD, 8 WALLACE, 604, next claimed the attention of the court.

Mrs. HEPBURN in 1860 made a promissory note, by which she agreed to pay to HENRY GRISWOLD, on the 20th day of February, 1862, $11,250. Five days after the note fell due, as will be observed, the first legal-tender act was passed. The note remaining unpaid, suit was brought upon it in 1864, when Mrs. HEPBURN tendered $12,720, the nominal amount due, with costs, in legal-tender notes. The tender was refused, and the Court of Appeals of KENTUCKY held that the debt had not been thereby discharged; and of course that a tender of the nominal amount due in legal-tender notes was not payment of a debt contracted before the passage of the legal-tender act.

The case was then brought by Mrs. HEPBURN to the Supreme Court of the UNITED STATES. The Chief Justice delivered the opinion of the court. He observed that the court was now to determine whether the term "debts, public and private," embraced contracts made before as well as after the date of the acts in question. Remarking that Congress did intend that the act should apply to contracts made before its passage, he passed to the question, Did Congress have the power to make these notes a legal tender in payment of debts, which, when contracted, were payable only in gold and silver?

It had not been contended in argument that there was any express grant of legislative power in the constitution to make any description of credit currency a legal tender in payment of debts. Can it then be done in the exercise of an implied power? The

rule for the exercise of a power as implied was approved as stated by Chief Justice MARSHALL, MCCULLOCH *v.* THE STATE OF MARYLAND, in these words: "Let the end be legitimate, let it be within the scope of the constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the constitution, are constitutional."

It was then regarded as settled that the powers impliedly granted by the constitution were such as were "not absolutely necessary, indeed, but appropriate, plainly adapted to constitutional and legitimate ends; laws not prohibited, but consistent with the letter and spirit of the constitution; laws really calculated to effect objects intrusted to the Government."

Was, then, the clause which makes United States notes a legal tender for debts contracted prior to its enactment, a law of the description stated in the rule?

The power to establish a standard of value, to determine what shall be lawful money, is of necessity a governmental power. But could the power to impart these qualities to those notes when offered in discharge of pre-existing debts be derived from the coinage power or from any other power expressly given? It was not the power to coin money, or a plainly adapted means to the exercise of that power, or to the power to regulate the value of coined money of the UNITED STATES or of foreign coin. Nor is the power to make notes a legal tender the same as the power to issue notes to be used as currency. The court had recently held that Congress, as incidental to other powers, could emit bills of credit or notes, but it expressly declared that that decision concluded nothing upon the subject of legal tenders. The history of the country showed a well recognized distinction between these two powers. The States had always been held to have power to authorize the issue of bills for circulation by banks or individuals, but they were expressly prohibited from making anything but gold and silver a legal tender; and this seemed decisive of the point that the power to issue notes and that to make them a legal tender are not the same power.

But it had been argued that the creation of legal tenders was an appropriate and plainly adapted means to the exercise of the power to carry on war, to regulate commerce, and to borrow money. But this argument proved too much, as almost every exercise of power by the government involved the expenditure of money, and to infer from this the power to impress the quality of legal tender upon its obligations, would be to carry the doctrine of implied powers far beyond any extent hitherto given to it. It asserts that, whatever, in any degree, provides an aid within the scope of an express power may be done. And this doctrine would make Congress absolute in the choice of means to an end, whether plainly adapted or not, and change the nature of the government, by confusing the boundaries of its executive and judicial with its legislative authority.

Considering then the history of notes or bills of credit both as legal tenders and without that quality, the court were of opinion that the legal-tender quality was not an essential part of the vitality of such notes, and therefore . . "that an act making mere promises to pay dollars a legal tender in payment of debts previously contracted, is not a means appropriate, plainly adapted, really calculated to carry into effect any express power vested in Congress; that such an act is inconsistent with the spirit of the constitution; that it is prohibited by the constitution."

In this opinion concurred Justices NELSON, CLIFFORD, and FIELD; and Mr. Justice GRIER also concurred therein when the cause was decided in conference, and when the opinion of the Chief Justice was directed to be read; but the time of its delivery having been postponed to accommodate the minority of the court, the resignation of the last named Justice had taken effect when it was read and filed.

Justices MILLER, SWAYNE, and DAVIS dissented.

VII. PARKER *v.* DAVIS, and KNOX *v.* LEE, 12 WALLACE, 457. These causes were argued and decided together. The case in the first was as follows: Before the legal-tender acts were passed, PARKER sold DAVIS a lot of ground for a given sum of money, which the former refused on demand to convey. DAVIS, thereupon (also before the legal-tender acts were passed), filed a bill in equity to compel performance. The Supreme Court of MASSACHUSETTS, in February, 1867, decided that upon DAVIS'S paying into court a certain sum of money in legal-tender notes, PARKER should execute a deed to him. DAVIS paid in the money, but PARKER appealed from the decree.

The facts in KNOX *v.* LEE, so far as they affect the question of legal tender, were as follows: Mrs. LEE, a resident of PENNSYLVANIA, owned a flock of sheep, which she left in TEXAS, at the outbreak of the rebellion, and they were confiscated and sold by the confederate authorities in March 1863, as the property of an "alien enemy." The sheep were bought by KNOX, against whom Mrs. LEE, after the suppression of the rebellion, brought suit for taking and converting them. The court, in charging the jury, said that in assessing damages the jury would recollect that the judgment to be entered on their verdict could be discharged by paying the amount in legal-tender notes. Of this instruction the defendant complained, because the jury had been led by it, as he alleged, to improperly increase the damages, and he claimed that as United States notes had been made a legal tender by law, there was no difference in value between a dollar note and a coin dollar.

The court, by a majority of one, ordered: That in addition to the regular counsel engaged in the causes, Mr. POTTER and the Attorney-General (Mr. AKERMAN), be heard upon the following questions:

1. Are the legal-tender acts constitutional as to contracts made before their passage.

2. Are they valid as applied to transactions since their passage?

Mr. Justice STRONG delivered the opinion of the court. He observed that the question was: Could Congress give treasury notes the character and quality of money?

He said it had always been the rule to presume that Congress had not transcended their power until the contrary was clearly shown, and that the language of constitutions, as well as of wills, contracts, and statutes, was to be construed so as to effect the general purpose of the instrument; and, indeed, that, by reason of the general terms of the constitution, there was the greater necessity for the application of this rule in construing it. Thus the power to collect taxes, to support armies and maintain a navy, are instruments for a paramount object, which was to establish a government sovereign within its sphere, and with a capacity for self-preservation. And so of those powers granted in the general terms to "make all laws necessary and proper," to carry into execution the specified powers.

And it is not indispensable to the exercise of a power that it should be specified or clearly and directly traceable to some one of the powers specified in the constitution. Its existence may be deduced from more than one of the substantive powers, or all of them combined. That such was the understanding of the people was shown by the amendments, which were restrictions on powers not expressly granted nor impliable from any one other power expressly granted. And Congress had frequently exercised such "resulting powers;" among them that of passing a penal code, in which provision is made for the punishment of a large class of crimes other than those mentioned in the constitution, and some of the punishments prescribed are manifestly not in aid of any single substantive power; and this exercise of power was sustained by the Supreme Court. Reviewing the history of the government upon this point he referred to the provision made under the power to establish post-offices and post-roads, for carrying the mails, punishing theft of letters, and transporting mails to foreign countries; under the power to regulate commerce, for the improvement of harbors, the erection of light-houses, the registry, enrolment, and construction of ships, and the passage of a code for the government of seamen. It was also said that under the same powers and other powers over the revenue and currency of the country, for the convenience of the treasury and internal commerce, the UNITED STATES BANK, a private corporation, was created; and to its capital the Government subscribed one-fifth of the stock. Its incorporation was a constitutional exercise of Congressional power for no other reason than that it was deemed to be a convenient instrument or means for accomplishing one or more of the ends for which the Government was established. In FISHER *v.* BLIGHT, the Supreme Court had determined that Congress must possess the

choice of means and must be empowered to use any means which are in fact conductive to the exercise of a power granted by the constitution.

And in McCulloch *v.* Maryland it was finally settled that the necessity referred to in the power granted to pass laws, "necessary and proper" for the execution of the powers expressly granted, was not to be understood to be an absolute necessity; but that the legislature must have that discretion in the choice of means in executing a power which will enable it to perform its duty in the manner most beneficial to the people. It was there said that when an act of Congress "is not prohibited and is really calculated to effect any of the objects intrusted to the Government, to undertake in the Supreme Court to inquire into the degree of its necessity, would be to pass the line which circumscribes the judicial department and to tread on legislative ground."

Before the court, therefore, could hold the legal-tender acts unconstitutional, it must be convinced they were not appropriate means, in any degree, or means conducive to the execution of any or all of the powers of Congress, or of the Government, or it must hold that they were prohibited. And in determining their appropriateness, the time of their enactment was an important consideration.

If nothing else, it was asked, could have supplied the needs of the treasury and saved the Government, while the legal-tender acts would, could their constitutionality be denied? That they did work such results, it was said, could not be disputed.

But if something else could have done the same, it does not impair the argument. Congress had the choice of means appropriate to a legitimate end, and the court could not inquire into the degree of their necessity or appropriateness.

It had not been claimed, it was said, that the exercise of this power was expressly prohibited, but that the spirit of the constitution was violated by it.

As to the grant of power to "coin money" being an implied prohibition to make that money which was not a subject of coinage, it was said that the principal on which this construction was contended for had not been recognized. In United States *v.* Marigold, 9 Howard, 560, it had been held that an express power to punish a certain class of crimes was not regarded as an objection to deducing authority to punish other crimes from another substantive and defined grant of power; and a similar principle had been recognized in other decisions.

In answer to the argument that the spirit of the constitution was violated because these acts impaired the obligation of contracts, it was said that of course it related only to such contracts as existed before February, 1862, when the first act was passed. But it was denied that the acts did impair the obligation of contracts; and also that Congress is prohibited from producing that effect.

As to the first proposition it was said that the contracts of parties simply involved the obligation to pay "money," and that meant what should by law be recognized as money when the contract came to be performed. It was also maintained that Congress could indirectly impair the obligation of contracts; as by the passage of non-intercourse acts, declaring war, directing an embargo, and the like; and the right to produce this effect was not confined to the cases where the contract was impaired by the exercise of a power expressly granted. The power to direct an embargo was one of the auxiliary powers, held to be vested in Congress, though the effect of its exercise was to suspend many contracts, and render performance of others impossible. Contracts were, in fact, always subject, in a state of civil society, to the lawful exercise of the rightful authority of the government.*

In regard to the acts infracting the clause of the constitution which forbids the taking of private property for public use, it was said that the provision had always been understood as referring only to a direct appropriation, and not to consequential injuries resulting from the exercise of lawful power. A new tariff, a war or an embargo may entail loss or render valuable property almost valueless, and the reduction of the intrinsic value of the coin of the Government had the effect to subject creditors to corresponding loss, but these effects did not make the laws causing them unconstitutional.

The court, therefore, held the acts constitutional as applied to the contracts made either before or after their passage; and in so holding, overruled so much of HEPBURN *v.* GRISWOLD as held the acts unwarranted by the constitution, so far as they apply to contracts made before their enactment.

In this opinion concurred Justices CLIFFORD, SWAYNE, MILLER, and BRADLEY. And the chief Justice, with Justices NELSON, CLIFFORD, and FIELD, dissented.

VIII. The next case was that of TREBILCOCK *v.* WILSON *et ux.*, 12 WALLACE, 687. The facts affecting the question of legal-tender were as follows: In June, 1861, WILSON gave to TREBILCOCK his note at one year for $900, payable in specie, and he also delivered to TREBILCOCK a mortgage made by himself and wife as security for the debt. In February, 1863, WILSON tendered the amount of the debt in legal tenders, which TREBILCOCK refused to receive. WILSON and wife then filed a bill in equity against TREBILCOCK to compel satisfaction of the mortgage.

Mr. Justice FIELD delivered the opinion of the court: saying that the terms in specie did not assimilate the note to an instru-

* It may be remarked in this connection, that Mr. POTTER, in his argument against the constitutionality of these acts upon this ground, had said that he was not unmindful of the impression that prevailed in the profession that Congress could pass a law impairing the obligation of a contract. He contended, however, that the impression was traceable to an interlocutory remark of Mr. Justice WASHINGTON, in the Circuit Court in PHILADELPHIA, in 1816, in reference to a grant by the government of a patent for an invention, and that it was a single instance of a casual observation passing for years unaffirmed and unchallenged by all the great commentators upon the constitution.

ment in which the amount stated was payable in chattels; the terms in specie being descriptive of the kind of dollars in which the note was payable, both specie and currency dollars being recognized by law and usage among traders, merchants, and bankers. The case was therefore brought within the decision of BRONSON *v.* RODES, and the debt could only be satisfied by the payment of coined dollars. The coinage acts were in force when the legal-tender acts were passed, and not being repealed by them, and they being held to be constitutional, we had, according to that decision, two kinds of money, essentially different in their nature, but equally lawful.

In this opinion the Chief Justice and all the justices concurred, except Justices MILLER and BRADLEY, who dissented.

IX. The VAUGHAN AND TELEGRAPH, 14 WALLACE, 258. On the 7th of October, 1864, O. & J. LYNCH, of St. Timothy, CANADA, shipped a cargo of barley on a canal boat for New York. In CANADA, as is known, business is transacted on a specie basis and with a coinage corresponding with our own. The cargo was worth on that day at St. Timothy $ 2,436 in gold, or at the then rate of depreciation, about $ 4,896.30 in legal-tender notes—gold selling at that time at $ 2.01. The boat with her cargo was sunk in the Hudson, by the joint negligence of the steamers Vaughan and Telegraph, both of which were libeled by the consignees who had made advances on the cargo. The District Court of the UNITED STATES, at New York, entered a decree on February 21, 1868, against both steamers, for the value of the barley in gold at St. Timothy, on the day of shipment, with interest, and assessed the damages at $ 2,924.20; but the decree was not by its terms made payable in gold. On appeal, the Circuit Court held that, in order to give full indemnity to the libelants, the decree should have been for the value in legal-tender notes ($ 4,896.30) of the $ 2,436 gold, and this court, on March 26, 1870, entered a decree for the $ 4,896.30 with interest; in all, $ 6,515.51, with costs. One dollar in gold was at this date worth $ 1.12 in legal tenders.

On appeal to the Supreme Court of the UNITED STATES, Mr. Justice SWAYNE delivered the opinion of the court, saying:

"Upon the rule of damages applied by both courts as respects the kind of currency in which the value of the barley was estimated, the libelants were entitled, upon the plainest principles of justice, to be paid in specie or its equivalent. The hardship arising from the decree before us is due entirely to the delay in its payment which has since occurred, and the change which time and circumstances have wrought in the value of the legal-tender currency. The decree was right when rendered, and, being so, cannot now be disturbed. . . . The decree in the particular consideration presents the same question which was decided by this court in the case of KNOX *v.* LEE."

In this judgment concurred Justices NELSON, MILLER, DAVIS, STRONG and BRADLEY.

The Chief Justice, with Justices CLIFFORD and FIELD, dissented.

In conclusion, then, it may be said that the law, as determined by the foregoing cases, is as follows:

1. In the BANK *v.* THE SUPERVISORS it is decided that legal-tender notes are obligations or securities of the UNITED STATES, and are exempt from State taxation; and that they are not money in the same sense as gold and silver coin of the UNITED STATES is money.

2. In LANE COUNTY *v.* OREGON it is decided that a State tax is not a "debt" within the meaning of the legal-tender acts, and that where a State requires its taxes to be paid in coin they cannot be discharged by a tender of treasury notes.

3. In BRONSON *v.* RODES it is decided that a debt created prior to the passage of the legal-tender acts, and payable by the express terms of the contract, in gold and silver coin, lawful money of the UNITED STATES, cannot be satisfied by a tender of treasury notes nominally equal in amount to the debt, and that judgments on such contracts should be expressly entered for coined dollars and parts of dollars.

4. In BUTLER *v.* HORWITZ it is decided that where a contract, made before the passage of the legal-tender acts, calls for a stated sum of money current in the State where the contract is made, and requires payment to be made in specified gold and silver coins, of a specified weight not of the United States coinage, the damages must be assessed in and judgment rendered for coined dollars and parts of dollars and not for dollars generally, by taking into account in assessing damages, the difference in market value between coin and currency dollars.

5. In WILLARD *v.* TAYLOE it is decided that where a contract was made before the passage of the legal-tender acts, specific performance thereof will not be decreed upon the the tender of the amount of the debt in treasury notes, when such a decree would work inequity or injustice; but that upon the payment of the amount of the debt in coin, and the case is otherwise a proper one for such interposition by the court, specific performance will be decreed.

6. In HEPBURN *v.* GRISWOLD it was decided that a contract made before the passage of the legal-tender acts and solvable in dollars generally, cannot be discharged in legal-tender notes, nominally equal in amount to the debt, and that those acts are unconstitutional so far as they seek to make such notes a legal tender in discharge of pre-existing debts.

7. In PARKER *v.* DAVIS it is decided that the legal-tender acts are constitutional as applied to pre-existing contracts, and HEPBURN *v.* GRISWOLD is overruled in this regard. And it also holds that specific performance of such engagements, when the case is otherwise a proper one for such interposition by the court, will be enforced. It does not appear in this case whether the court based

its decree for specific performance upon the finding of the court below that such a decree would be equitable, or upon its own judgment to this effect, or upon other grounds.

8. In KNOX *v.* LEE it is decided that it is not error to instruct the jury that in assessing damages against one for a tortious conversion of property after the passage of the legal-tender acts, they will take the fact into account that the judgment on their verdict will be solvable in treasury notes. And it is also held that the legal-tender acts are constitutional as applied to transactions since their passage.

9. In TREBILCOCK *v.* WILSON it is decided that a debt created before the passage of the legal-tender acts, and solvable by express terms "in specie," cannot be discharged by the tender of the nominal amount due in Treasury notes.

—ISAAC S. SHARP, *Philadelphia, in American Law Register.*

PRICES IN GERMANY AND THE GOLD QUESTION.—The following table, extracted from a new work by Dr. E. LASPEYRES, will commend itself to those acquainted with Mr. JEVONS's work on the *Depreciation of Gold.* Mr. JEVONS compared the London wholesale prices over a long series of years, and Dr. LASPEYRES has executed a similar work for the Hamburg prices between 1846 and 1865 in a similar form:

Group.	*Class of Commodities.*	*Number of Commodities.*	*5 years. 1846-50.*	*5 years. 1851-55.*	*5 years. 1856-60.*	*5 years. 1861-65.*	*15 years. 1851-65.*
I.	Products of South European plants—wines, fruits, &c.	23	100	121	143	136	133·7
II.	Agricultural products of Central Europe—corn, peas, beans, &c.	41	100	122	133	128	127·8
III.	Hunting and fishery products	19	100	116	135	131	127·8
IV.	Products of sylviculture	17	100	109	113	160	127·2
V.	Products of European cattle rearing.	29	100	113	137	125	124·1
VI.	Edible colonial products	44	100	110	125	129	121·8
VII.	Non-edible colonial products	44	100	105	115	123	114
VIII.	Fibrous manufactures—linen, woollens, spun silk, &c.	12	100	102	107	127	112·2
IX.	Chemical manufactures	40	100	111	117	102	109·9
X.	Mineral and metal manufactures	22	100	107	111	101	106·4
XI.	Products of mining and smelting coal, iron, &c.	24	100	107	108	97	104·1
		312	100	111·2	122·1	123·3	118·98

The general conclusion will at once appear—that it is principally raw materials and agricultural products which have advanced in price in the period, the advance in manufactured articles being hardly observable. In only one group of manufactures in the above list is there any advance—viz., textile fabrics—and that is so obviously connected with the exceptional circumstances of the American war, as rather to corroborate the general truth of the observation that the prices of manufactured commodities in the present circumstances of the world tend to fall in price, while raw materials and agricultural products tend to rise.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 583, January No.)

STOCKS.	NOV., 1873.		DEC., 1873.		JAN., 1874.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	112¼	115½	115⅞	121	117	118⅜
" Five-Twenty of 1862, "	105½	109¼	111	116	113	114⅞
" " 1864, "	106¼	111	111½	117¼	114	116¾
" " 1865, "	107¼	111	111⅛	117¼	115	118
" " 1865, New, "	109	114	114¼	119¾	114½	116¾
" " 1867, "	110½	114⅞	115¼	120	115	118
" " 1868, "	110	115	116½	118¾	116	118
" Ten-Forty Coupon Bonds.....	105	108½	108½	113½	113	114¼
" Five per cent. of 1881.........	106¼	110	109¼	113¼	111	113¾
" Six per cent. Currency.........	108	110⅝	108½	114⅜	114	115¼
Tenn. Six per cent. Bonds, Old.....	62	72¼	73	81½	63	81½
" " " New.....	62	72½	73¼	81	62	81
Virginia Six per cent. Bonds, Old...	..	..	..	..	40	42
" " " New.....	..	..	..	..	..	..
" " " Consol....	45	50½	49¼	50⅝	50	53¼
N. Carolina Six per ct. Bonds......	18	18	24	26	28	29½
" " New	..	..	15	15	16	28
" " Special Tax	..	..	..	..	6½	13
S. C. Six per ct. Bds. Jan. & July ..	8½	10	7	11½	9	11
" " April & Oct...	..	..	..	..	..	..
Missouri Six per cent. Bonds........	85	89	89	94	90½	94
Canton Company of Maryland.......	55	60	60	70	73½	79
Delaware and Hudson Canal Co....	99	110	109½	116	113	121
Consolidated Coal Co. of Maryland..	38	47	47	50¾	44	51
Quicksilver Mining Co	20	28	20½	29½	28	30½
" " Preferred	25	28	33	34	33	35
Mariposa Mining Company.........	..	..	..	..	..	..
" " Preferred	..	..	..	..	..	..
Western Union Telegraph Co	43½	68¾	66⅛	75	73	80
Pacific Mail Steamship Company....	25	33⅛	31⅞	42	38½	44⅝
Adams Express Co.................	76	85	85	92½	92½	96
Wells, Fargo & Co. Express Co. ...	59	65	65	75½	69	71¾
American Merchants' Union Express	41	60	55	62	58½	62¼
United States Express..............	45	60	62	70	68	72
N. Y. Cent. and Hudson River R. R.	77⅞	92⅞	90¾	100	99¼	104½
Erie Railroad, Common.............	35⅝	47	42⅝	47	46¾	51¼
" Preferred............	56¾	67	68	71	72	75
Harlem Railroad, Common Shares..	99⅞	115½	115	122½	118	130
Reading Railroad Shares...........	..	..	..	..	..	..

Stocks.	Nov., 1873. *Lowest.*	*Highest.*	Dec., 1873. *Lowest.*	*Highest.*	Jan., 1874. *Lowest.*	*Highest.*
N. York & New Haven R. R. Shares.	112¼	125	121	127	122	130
Michigan Central Railroad Co.	65	81	72	77½	78	79
Lake Shore & Mich. Southern R. R.	57¼	73¾	70⅞	77½	77½	84⅝
Panama Railroad Company Shares..	77½	90	88	111	110	118
Union Pacific Railroad " ..	14¾	26½	24⅞	32⅞	30½	35⅝
Illinois Central Railroad " ..	90	99	98	100½	100	103
Cleveland & Pittsburgh R.R. " Gtd.	72	80¼	79¾	86	85½	89½
" Col., Cinn. & Ind. R. R. ...	65	69½	71½	75	76	80
Chicago, Rock Island & Pacific R. R.	83¼	94½	92	100⅞	100⅞	106
" Burlington & Quincy " ..	78	94	94½	96	97	106
" & Alton Railroad Shares....	85	95	99	102¾	103	110
" " Pref.	90	96	104	104	110	112
" & Northwestern R.R. Shares	31¾	50	47	57⅝	57½	62¼
" " " Pref.	53	70¼	67½	73½	69½	75½
Del., Lackawanna & West. R. R. Co.	79½	95⅝	95¾	104½	99	105½
Pitsb'gh, Ft. Wayne & Chic., Guar.	80	89¾	88⅛	90	90	93
Toledo & Wabash R. R. Co. Shares.	33½	49⅛	45⅞	55	49½	55¼
" " " Pref.	..	..	..	..	..	..
St. Louis, Alton & Terre Haute R. R.	..	..	8	16	12	20
" " " Pref.	20	20	24½	34⅞	31	39
Ohio & Mississippi R. R. Co. Shares.	21½	27	25¾	31½	30½	36
Hannibal & St. Joseph R. R. "	15	25	23½	28½	27½	34¼
" " " Pref.	24½	35¾	34	37	37⅝	43½
Milwaukee & St. Paul R. R. Shares.	21½	36¾	34⅛	42¾	41⅞	49¾
" " " Pref.	43¾	60	58¼	66¼	66¼	73
Boston, Hartford & Erie R. R. Shares	1	1⅛	1¼	3⅜	2¾	3½
Col., Chic. & Ind. Cen. R.R. Shares	15⅝	24	22⅞	28	27¼	32½
Dubuque & Sioux City Railroad....	50	50	..	..	55	56
New Jersey Central Railroad Shares	85	95	94¾	102	98	102½
Morris & Essex Railroad Shares....	83	91	88	93	89¼	92¼
N. Y. Central Six p. ct. Bds. of 1883	85	89	90	92	91½	93
Erie First Mortgage Bonds of 1868..	98	99	100	100	101	102½
Long Dock Bonds..................	90½	91	90	93	93	95
Mich. Southern Sinking Fund Bonds	97½	100	99	100¾	102	103
" Seven p. ct. 2d Mtge	90½	92	94½	95	95	97¾
Central Pacific 1st Mortgage Bonds.	80	92½	91½	96½	92½	96⅝
Union " " "	64¾	80¼	79¼	86	81½	86⅛
" " Land Grant Bonds .	57	70½	70½	77	75½	82½
" " Income Bonds......	41	63	65⅛	75½	73¾	80½
Alton & Terre Haute 1st Mtge Bds...	90	99	99½	99¾	99	100
" " 2d " Pref.	80	85¼	87	90	88	90
" " " Income Bds.	68	71	70	73	74½	77⅜
Belleville & So. Ill. 1st Mtge. 8 p. ct.	..	..	90	90	90	96
Chic. & N. W. Consol'n S. F. Bonds	78	88	88	89	88½	92½
" " 1st Mortgage Bonds..	90	94½	96	100	100	102
Cleveland & Tol. Sinking Fund Bds.	98½	100	102	102	101	101¼
" & Pittsb'gh Consol'n Bds.	88	89	91	92	..	..
" " Second Mtge.	..	..	92	92	..	..
" " Third "	..	..	96	98	..	..
" " Fourth "	81	86½	87	88	86½	88½
Chic., Rock Isl'd & Pac. 7 p. c. Bds.	96	102	103	105¼	101	103½
Milwaukee & St. Paul 1st Mortgage.	..	..	..	..	107	110
St. Louis & Iron Mountain R.R. Bds	85	92	94	96	97	99⅝
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	72	81¼	80¾	85	84	87¼
" " " 2d " "	56	56	61	66	61	68
Toledo, Peoria & Warsaw 1st, E. D.	70½	80	69	69	..	..
" " " 1st, W. D.	65½	70⅜	65	70	70	72
" " " 2d, W. D.	..	..	..	..	55	55
Cedar Falls & Minn. 1st Mtge. Bds.	..	..	75	75	72	74½
Boston, Hart. & Erie 1st Mtge. Bds.	19½	25	24¼	31½	28¼	31

BANKING AND FINANCIAL ITEMS.

BANKER'S ALMANAC.—The second edition of the BANKER'S ALMANAC will be ready in a few days, with the additions of over one hundred new banking firms, and the changes of president and cashier recently made. A third edition will be issued in two or three months, for which work and the BANKER'S MAGAZINE also, the publisher solicits the names of new banks, banking firms, and savings banks; and the names of newly-elected bank presidents and cashiers. ☞ Copies of the BANKER'S ALMANAC for 1874, interleaved with ruled writing paper may be had, on application, price $4. Copies of the same work, bound in two thin volumes, may be had, to order, price $3.25.

TAX ON BANK CHECKS.—A proposition is pending in Congress for the repeal of the tax upon bank checks, the annual revenue from which amounts to $1,600,000. One great difficulty standing in the way of getting rid of this nuisance is, should the law be repealed, the amount that must be refunded for checks which have already been purchased; in the aggregate $5,100,000. This amount is likely to prove a barrier against repeal too strong to be overcome in the present depleted condition of the Treasury. If Congress is prepared to dispense with this annoying tax, it would be satisfactory to the public to have the new law go into operation in July, 1875.

ILLEGAL ISSUES.—A petition is circulating to-day among the merchants and bankers, protesting "against the assumption by the Secretary of the Treasury of the right to issue new United States notes, commonly known as greenbacks, without the sanction of law." The memorialists assume that the issue of irredeemable paper money, and making it a legal tender, is "simply imposing a forced loan upon the people of the UNITED STATES; a power, so far as they are aware, which has never been exercised by any civilized government in time of peace." The Senate of the UNITED STATES, by their Committee on Finance, reported (see February number, 1873, p. 649), that the Secretary of the Treasury has no power to re-issue the legal tenders which were withdrawn from circulation.

PATENT LOCKS.—*The Lock Question.*—Some months ago a committee of merchants, selected by the Secretary of the Treasury, decided that what is known as the Miller Lock, with certain modifications, should be used on all the railroad cars transporting goods in bond, in place of the American Seal Lock, so long in use. Mr. MILLER was requested to perfect the lock, as designed by the committee, but when he prepared to do so, it was found he was infringing on another patent, and would be likely to encounter an injunction if he went ahead. It is now believed at the Treasury department that he has abandoned the contract and does not intend to complete his lock, as he has left the city, and the department has heard nothing from him for more than two months. The department propose to continue using the American Seal Lock, for the present at least. The hostility between the lock manufacturers is too bitter to allow the matter to remain very long in its present shape.

CURRENCY.—In our opinion the most effective way of setting the deranged industry of the country at work again is to render it certain that the standard of value is no longer to be kept floating up and down like a cork on the waves. Let it be known that the Government is not going to drift—waiting, like MICAWBER, for some fortuitous concurrence of circumstances to turn up—but is going to set its face steadily towards a sound and healthful condition of things, and the characteristic energy of our people will revive. The capital of the country, instead of accumulating, as it does now, in the banks of New York and the other large cities, to furnish aliment to stock-jobbers and speculators, will distribute itself over the country to the places where labor is

ready to engage in its accustomed handiwork, to push forward actual production, or to develop the resources of the nation. The working people, with whom are included the farmer, the artisan, and, in fact, all productive laborers, are the great creditor classes of the community. They are always running up a debt against the rest of us, and when they come to be paid, at the end of a week, a month or a year, they ought to be paid in money of full value. When they have produced a dollar's worth of commodity they do not want to be put off with ninety cents, and to secure them the full dollar is not only justice but the best means of encouraging an earnest and persistent activity.—*Philadelphia Ledger.*

Reserve Fund.—The proposition before Congress to do away entirely with "reserve" kept in bank vaults, and to let every institution please itself in the amount of legals it keeps on hand for the redemption of its notes, does not meet with general favor in banking circles. True, it is accompanied by a provision requiring banks to keep in Washington, in the hands of the Government, legal tenders to the amount of five per cent. of their circulation, and by a scheme for central redemption, either in Washington or New York, of which the Government is to have the direction and control. The contemplated agency for doing this business of redemption would take the bills of any National bank, give greenbacks for them, and then call upon the bank to furnish the greenbacks to replace those paid away. Failing to receive these, it would draw upon the bank's 5 per cent. deposit in Washington, and the UNITED STATES, in turn, would demand that this be made good, failing which its charter would be forfeited.

This plan would be better than that which compels the country banks to keep their reserve in the City of New York. If kept at home the reserve would be available for the sudden calls of their customers. If placed in New York, FOR SAFE KEEPING, the funds are loaned out to speculators, and thereby keep the market in a ferment, and encourage stock speculation and an unnatural rise of prices.

SMALL NOTES.—The recommendation to Congress by the Comptroller of the Currency, at the last session, to prohibit the issue of notes by States, corporations or persons, to circulate as money, was not heeded. By the act of March 26, 1867, all National and State banks are taxed 10 per cent. upon all notes of any town, city or municipal corporation paid out by such banks. This prevents the notes from going through the banks, but in many parts of the South such notes are issued by States, corporations or municipalities, and the people use them extensively. In some instances they show the best work of the New York bank-note companies.

BANK HOLIDAY.—We have had several inquiries as to what our city banks would do in reference to the observance of our next "red letter day," or holiday, the 22d of February, which comes this year on a Sunday. The bank clerks are naturally anxious to avoid having the two holidays of Sunday and the 22d compressed into one. As Sunday can not very well be carried over until Monday, they are attempting the supposed easier task of forcing the 22d into the 23d, and so insist that the observances—cessation from labor—usual on the former day, should be the characteristics of the latter. While we think the hard-worked clerks are deserving of all the relaxation that an observance of all the "red letter days" afford, we do not see very clearly how the commemoration of an event which is supposed to have consecrated a particular day of the month can be shifted without legislative sanction to some other day. And if so, why not to any other day as well as the next succeeding day. If absence from daily labor is the true mark of distinction, then there is the double stimulant on the next 22d, which is on Sunday, to celebrate it appropriately and vigorously. There are, however, business considerations involving nice points of law that come in for consideration, and make some of the more exact and careful of our bank officers pause, both as to the propriety and the legality of closing their banks on any day not sanctioned by law, and the 23d of February they hold is not the 22d, the 2d of January not the 1st, the 5th of July not the 4th, and so on throughout the list of designated days. Heretofore, on like occurrences as that of the approaching 22d, the difficulty has been compromised. The banks have each

generally retained a single clerk to do such necessary business as might come up, and any paper maturing on Saturday or Sunday has been simply noted by the proper officer as not paid, but not formally protested until the next business day, the banks thus giving the parties time to protect their credit as though no closing of the bank had intervened. This in the past has proved satisfactory, and a like course may be followed on the next 22d. A bill is now pending in the Legislature of PENNSYLVANIA on this very subject, and may become a law before the time comes round, in which case even the one clerk in each bank will be relieved from duty and be permitted to participate in the festivity of—no work. It is hoped so, for though there is no "red letter day" for the ever-toiling newspaper man, he has no envy of his more fortunate fellow-laborers, and wishes them joy of all the rest and peace the law gives them, and as much more as their pertinacity can command.

—*Philadelphia Ledger.*

In NEW YORK a statute provides that the 22d of February be observed as a legal holiday, and whenever this comes on a Sunday [as in the year 1874], the next day will be observed as a legal holiday.

DRAFTS BY A CORPORATION ON ITS OWN TREASURY.—A case came before the Supreme Court of the UNITED STATES, in October last, in reference thereto. No. 45—UNITED STATES *v.* ISHAM—Certificate of division between Judges of the Circuit Court for the Eastern district of MICHIGAN. This is a criminal information for issuing without a stamp, and with intent to evade the provisions of the internal revenue laws, a paper in the form of a draft drawn on CHARLES J. CANDA, treasurer of the Iron Cliffs Company, by the defendant as superintendent. The paper was as follows:

[5] IRON CLIFFS COMPANY. [Five.]

[1,190] Negaunee, MICH., January 3, 1870.

Pay to the order of E. B. ISHAM, *Superintendent, or bearer, five dollars, value received, and charge to the account of*, E. B. ISHAM.

To CHARLES J. CANDA, Esq., New York.

(Countersigned) E. S. GREEN, Clerk.

On the trial the Court were divided on the questions, first, whether this paper, on its face, required a stamp; second, whether evidence to show that ISHAM was superintendent of the company and drew the paper in that capacity, or that CANDA was treasurer of the company and the instrument was drawn on him in that capacity, or was drawn in the course of the company's business, was admissible; third, whether, if the paper was made and issued with the design that it should be used as a local circulating medium, and was actually used by the holders as such, it thereby became subject to be stamped, and whether evidence given by the government tending to show these facts was admissible; fourth, whether, assuming all the facts which the evidence offered tended to prove, the defendant was guilty of the offense charged; and fifth, whether the information sufficiently charges any offense under the laws of the UNITED STATES. These questions were certified to this court for answer and were now argued.

NEW LOAN—Messrs. DREXEL, MORGAN & CO., New York City, have cable advices from their London house, J. S. MORGAN & Co., that the subscriptions to the £2,000,000 ($10,000,000) loan of the Baltimore and Ohio Railroad Company, the books being open only two days, amount to over £5,000,000 (or over $25,000,000,) which is proof of the conspicuous success of this house as negotiators of loans in London, as well as of the fact that there is still a good foreign market for first-class American securities. This loan is in the form of sterling bonds of £200 each, bearing 6 per cent. from the first day of this month, the bonds being redeemable in the year 1910. These bonds are secured by a mortgage on the road from Baltimore to Wheeling, 379 miles, and the branch from Washington to Point of Rocks, 42 miles; also appurtenances, equipments, warehouses, piers, &c. A sinking fund of £18,000 is applied half-yearly for the extinguishment of the bonds. The proceeds of this loan, with the other resources of the company, will supply the means required for the completion of all the works in which the company is engaged.

BANK FRAUD.—A very ingenious system of bank robbery has been discovered at Copenhagen. One of the tellers of the NATIONAL BANK of that city, who was specially charged with the counting and checking of the old notes which were to be destroyed, managed by a clever manipulation to tear out a piece of each note in such a manner that out of the fragments of about ten notes he made a whole one by gumming the pieces together. These notes he placed between the others, abstracting a genuine note for the false one substituted. The fraud was discovered by accident, and the teller was arrested.

SATIRE.—A bill authorizing the removal of a National bank from Hagerstown, MARYLAND, to Washington, reported by Mr. PHELPS in the House of Representatives, was sharply attacked at the time by Mr. MERRIAM, on the ground that banking capital and other personal property were exempt from taxation in the DISTRICT OF COLUMBIA. Mr. PHELPS made a speech in reply, that was so thoroughly enjoyable a piece of satire that even the gentleman whom it hit had to join in the general good humor it created. The speech was remarkably effective, for it changed completely the temper of the House toward the bill and secured its passage by a large majority, after this District government had been vigorously attacked and defended over its shoulders for an hour or so.

PACIFIC MAIL STEAMSHIP COMPANY—The semi-monthly line between Hongkong and San Francisco is reduced to a monthly service, the steamers to sail from San Francisco on the first of each month. The voyages of the CHINA steamers will hereafter be from Hongkong, via Yokohama, to San Francisco, and thence to Panama. Returning, from Panama to San Francisco, thence to Yokohama and Hongkong. All arrangements with railroad companies for through bills of lading for merchandise from CHINA and JAPAN overland are discontinued. This Company will furnish ample tonnage on the Pacific and Atlantic to accommodate all business. The service between San Francisco and New York, via Panama, will be continued as heretofore, steamers leaving this port every seventeenth day.

NEW YORK.—The dividend of 2½ per cent. in gold by the TENTH NATIONAL BANK of New York, in January last, was accidentally omitted in the tabular list of bank dividends, page 658, February number. The bank is now in active operation at No. 348 Broadway. The directors are as follows: Daniel S. Miller, John C. Work, Bernard Smyth, Rufus Story, Francis A. Palmer, Thomas F. Mason, Walter B. Palmer.

New York.—At the annual election, of the MERCHANTS' NATIONAL BANK, held on the 14th January, Mr. J. D. VERMILYE was reëlected president, and Mr. JOHN AUCHINCLOSS vice-president; Mr. B. B. SHERMAN declining a reëlection as vice-president, having accepted the presidency of the MECHANICS' NATIONAL BANK of this city. The following resolutions were unanimously adopted: Resolved, that the directors of the bank accept with regret Mr. SHERMAN'S resignation as vice-president, and beg leave to tender to him, on behalf of the stockholders, their cordial thanks for the unremitting attention, sound judgment and undeviating fidelity he has devoted to the interests of this institution during an active directorship of over twenty-eight years, for fifteen of which he has held the office of vice-president, steadily refusing any emolument. And on their own behalf, the directors wish to record their recognition of the unfailing kindness and courtesy which have always marked Mr. SHERMAN'S intercourse with them, and personally to express their best wishes for his future welfare.

DISTRICT OF COLUMBIA.—In the House of Representatives, February 10th, Mr. BECK, of KENTUCKY, offered a resolution, which was adopted, relating to the FIRST NATIONAL BANK of Washington, instructing the Committee on Banking and Currency to examine into the condition of the bank at the time of its failure, and into its prior transactions and general management, with power to send for persons and papers.

ILLINOIS.—The petition of members of the Illinois Legislature, citizens of Chicago and others, presented in the Senate by General LOGAN, of the United States Senate, represents that real and personal property during the last decade has increased in value more than 86 per cent., and the value

of manufactured products more than 124 per cent., and since June 30, 1868, the currency circulation has been contracted about $250,000,000; therefore, they, representing the vast agricultural, manufacturing and commercial interests of the West and South, believe the volume of currency not sufficient for the business of the country, and they also believe contraction is in the interest of Eastern capital, to the detriment of Western and Southern industry, and means paralyzed business, extortionate interest and low wages; they, therefore, earnestly request such increase of the currency as the public necessities require. It is a most mistaken notion entertained by many that an increase of paper currency will give them relief. It will only add to existing wants. It will add to the wealth of the rich and to the poverty of the poor. These forty millions of paper dollars will fall back to New York; it will not remain in the commercial channels where issued, and it will place us further yet from a resumption of specie payments.

ILLINOIS AND ST. LOUIS BRIDGE.—J. S. MORGAN & CO. offered in LONDON, on the 20th of December, £400,000, or $2,000,000 gold, of 7-per-cent. second-mortgage bonds at the price of £160 per bond of £200, or 80 per cent. of their face. The bonds run till 1901. This makes the capital account of the company $10,000,000, there being $4,000,000 of first-mortgage bonds, this $2,000,000 of second-mortgage bonds, and $4,000,000 of stock, all the latter, except $230,000, being reported paid in full. The costly tunnel which will connect the west end of the bridge with the St. Louis Railroad west of the Mississippi is not the property of the bridge company, but is being constructed by another corporation.

ILLINOIS.—Mr. VIRGIL HICKOX was, in January last, appointed president of the SPRINGFIELD SAVINGS BANK, in place of Mr. S. H. MELVIN, who declined a reëlection. Mr. T. S. WOOD remains cashier. Their New York correspondent is the FOURTH NATIONAL BANK.

INDIANA.—In February last Mr. JOHN A. YOUNG was appointed cashier of the FIRST NATIONAL BANK OF SHELBYVILLE, to fill vacancy occasioned by the resignation of A. D. LYNCH, Esq., who has accepted the appointment of National Bank Examiner for INDIANA. Mr. JOHN ELLIOTT remains president of the bank.

IOWA.—In the State of IOWA three days are allowed on sight drafts, and paper maturing on Sundays and legal holidays may be legally paid on the day subsequent.

Burlington.—Mr. GEORGE C. LAUMAN, hitherto cashier, was in January last elected vice-president of the FIRST NATIONAL BANK OF BURLINGTON, IOWA. Mr. J. C. OSGOOD succeeds Mr. LAUMAN as cashier. Mr. LYMAN COOK remains president.

KENTUCKY.—The bankers in operation in Russellville, KY., are as follows:

LOGAN COUNTY BANK.	NORTON, SLAUGHTER & CO.	Correspondents, N. Y.
N. LONG & CO.	" " "	" "
BANKING & WAREH. CO.	NINTH NATIONAL BANK,	" "

MARYLAND.—The various savings banks of Baltimore city have made their annual reports for the past year. The following are the general results:

		January, 1872.	*January*, 1874. *Deposits.*	*January*, 1874. *No. Depositors.*
1818.	SAVINGS BANK OF BALTIMORE..	$10,034,714 ..	$13,881,674 ..	29,423
1846.	EUTAW SAVINGS BANK.........	3,791,337 ..	4,443,702 ..	11,925
1854.	CENTRAL " "	343,741 ..	—— ..	——
1828.	BENEFICIAL " "	168,492 ..	*215,676 ..	825
1868.	GERMAN " "	—— ..	—— ..	——

The BENEFICIAL SAVINGS BANK made an extra dividend in January, 1874, of nine per cent on deposits standing over three years; six per cent. on those over two years; and three per cent. on those over one year. The ordinary dividend is four per cent. a year, and an average of seven per cent.

BOSTON.—There are three charters for new insurance companies in the

* January, 1873.

hands of Boston parties, on which the last $25,000 of the $200,000 needed is just at present, owing to the disordered state of money affairs, difficult to obtain. The State law requires that companies having the prestige of a Boston corporation shall have $200,000, but companies organized in Chelsea, or any town or city out of Boston, can commence on $100,000. They can write risks in Boston or elsewhere in the Commonwealth. The First National Insurance Company of Worcester has a capital of only $100,000, and writes legally in every nook of the Commonwealth.

Abington.—The village of Abington Centre was thoroughly alarmed early in January by an occurrence unusual for a quiet New England town. Mr. JOHN FLOYD, a watchman employed by the ABINGTON NATIONAL BANK and other parties to patrol the district between the bank and the tack and last factories, a half mile distant, was attacked under circumstances that rendered the murderous and felonious intent of his assailants unmistakable, and his narrow escape from death and the village from a serious robbery is matter for congratulation. At the hour named Mr. FLOYD was quietly patrolling his route, when, as he approached the factories, four men, either masked or with blackened faces, suddenly sprang upon him from a narrow passage between the buildings, but their object was frustrated.

MISSOURI.—Mr. J. S. FLEMING was, in January last, unanimously elected President of the FIRST NATIONAL BANK of Jefferson City, and WILLIAM Q. DALLMEYER, Cashier. Mr. WILLIAM C. BOON retires from the FIRST NATIONAL BANK to accept the place of Cashier of the JEFFERSON CITY BANK, a new institution, of which Messrs. DONNELL, LAWSON & CO. are the New York agents.

NEBRASKA.—In January last, Mr. W. E DILLON was elected President of the NEBRASKA CITY NATIONAL BANK; Mr. ROBERT LORTON, Vice-President; Mr. G. L. WOOLSEY, Assistant Cashier.

NEW JERSEY.—The iron mines of NEW JERSEY yielded last year 670,000 tons of ore, of which 150,000 were manufactured into pig iron. The value of the product is about $3,000,000. In 1867 the product of the mines was only 300,000 tons.

UTICA.—The paragraph on page 667 of our February Number, in reference to the FIRST NATIONAL BANK of Utica was erroneous. We intended to say the FIRST NATIONAL BANK of Oneida, NEW YORK.

NORTH CAROLINA.—Suit was commenced by AUGUST BELMONT & CO., of New York, in the Superior Court of Wake County, NORTH CAROLINA, on Saturday, February 7th, to enforce the collection of the special tax pledged by the North Carolina Legislature for the interest and principal of certain bonds since repudiated. The hearing was to be held at Raleigh on the 20th of February. The bondholders will (if necessary) carry the case to the United States Supreme Court.

OHIO.—Mr. SARDIS BIRCHARD, president of the FIRST NATIONAL BANK OF FREMONT, Sandusky County, died in that place on Wednesday, January 21st, at the ripe age of seventy-three years. Mr. BIRCHARD was born in Wilmington, Windham County, VERMONT, January 15, 1801. On the first of January, 1851, Mr. B., in partnership with LUCIUS B. OTIS, established the first banking house in Fremont, OHIO, under the name of BIRCHARD & OTIS. On the removal of Judge OTIS to Chicago, in 1856, Mr B. formed a partnership with ANSON H. MILLER and Dr. James W. WILSON, under the name of BIRCHARD, MILLER & CO. In 1863, the FIRST NATIONAL BANK OF FREMONT was organized, and the banking house of BIRCHARD, MILLER & CO. was merged into it. It was the second National bank organized in the State of OHIO, and the fifth in the UNITED STATES. Mr BIRCHARD was elected President of the bank, on its organization, and held the position till his decease. By his will he left $5,000 to Oberlin College, $5,000 to Home Missions, $1,000 to Fremont Ladies' Relief Society and $1,000 to the Conger Fund, a fund designed for the relief of superannuated preachers.

Zanesville.—The UNION BANK of Zanesville, OHIO, was organized in De-

cember, 1872, and is yet in active operation. President, A. M. HUSTON; Vice-President, F. J. L. BLANDY; Cashier, JOHN J. INGALLS. Their New York correspondent is the NATIONAL PARK BANK.

PENNSYLVANIA.—We, a few years ago, published the fact, astounding to many, that nearly all the savings funds in this Commonwealth were corporations having capital stock from which the owners derive profit in the shape of dividends. In consequence of this fact the Commissioner of Internal Revenue has held that all such savings funds were liable to tax. The officers of the companies have resisted, though it would seem difficult to determine on what good reason. The Commissioner rules that the present act exempts from taxation only such savings banks as have no capital, and are used simply as depositories for the money of the poor. The savings banks, claiming otherwise, have appealed to Congress to determine the matter.—*Ledger*.

PENNSYLVANIA.—The FARMERS AND MECHANICS' NATIONAL BANK OF PHILADELPHIA, by direction of the Commissioners of the Sinking Fund of the Commonwealth, give notice to holders of the five-ten-year series (known as the first series) of the six-per-cent loan of the Commonwealth, to the amount of ten thousand dollars and under, that interest on their loan will cease on the 30th day of April, and that said loan, with accrued interest, will be redeemed forthwith on presentation at that bank.

RHODE ISLAND.—The whole number of savings banks in RHODE ISLAND is thirty-seven, and of depositors 93,124. The average to each depositor is $500.50. The increase in deposits from the previous year is $4,033,644; the average rate per cent. of the last dividend in 36 institutions, 7¼ per cent. per annum; and the amount loaned on mortgages of real estate in other States $2,545,270. The total amount due depositors is $46,617,183, and the excess of assets over liabilities $1,780,430. These figures show that RHODE ISLAND, though small territorially, is thrifty and provident. Out of its population of 217,353, almost one-half are depositors in savings banks.

TENNESSEE.—The financial prospects of the State of TENNESSEE are brightening. The *Nashville Banner* says the payment of the July interest is already assured, and gives this encouraging view of the State's condition: "The semi-annual interest of the State debt is in round numbers $800,000, so that an annual interest of $1,600,000 has to be provided for. The State was never in so good a fix as now to pay it. All the old Tennessee money, the retiring of which was a positive drawback to the State, has about been withdrawn. There are now not more than $300,000 of State warrants outstanding, and by July 1, it is believed, all will have passed into the State Treasury. This and the withdrawal of the Tennessee money will bring about a new era in State finances. Warrants will rule at par, for the very good reason that they will be redeemed on presentation, which has not been done for years past nor at present. Warrants will be as money. Taxes will be collected in the currency of the country, instead of in warrants and old Tennessee money, and by receiving cash the Treasurer will be enabled to pay out cash."

TEXAS.—The CITIZENS' SAVINGS BANK of Jefferson, Marion County, TEXAS, is in active operation with an authorized capital of $500,000, and $50,000 paid in. Does a general banking and exchange business, and gives special attention to collections in TEXAS and NORTH LOUISIANA. Their correspondents are SWENSON, PERKINS & CO., New York; PERKINS, SWENSON & CO., New Orleans; the BANK OF COMMERCE, St. LOUIS. *(See their card on the cover of this work.)*

CANADA.—The EASTERN TOWNSHIPS BANK at Sherbrooke, Province of QUEBEC, has established branches at Waterloo, Coaticook, Cowansville, Richmond, Stanstead. This bank has a capital of $1,000,000, with a reserve fund of $225,000. B. POMROY, President; C. BROOKS, Vice-President; WILLIAM FARRELL, Jr., Cashier. Agents in Montreal are the BANK OF MONTREAL, and in London, ENGLAND.

CANADA.—It is now about three years since the act was passed under which the Government undertook to issue and redeem circulating promissory notes by its own officers. For several years previous the BANK OF MONTREAL, for

a valuable consideration, had issued and redeemed government notes, and, as its own credit was bound up with such redemption, there was no difficulty experienced about it. But when the Government undertook to carry on this business for itself—that is to say, of redeeming notes as well as issuing them, it was predicted by practical men that difficulties would arise, and, possibly an entire break-down ensue. It has been at times extremely difficult for the government to redeem their issues, and more than once serious financial disturbance has arisen in consequence. Last year, about the end of summer, the country was all but thrown into a condition of panic, owing to a heavy pressure of government notes for redemption, and it is said that our leading bank has more than once come to the aid of the government when a similar pressure has arisen. A pressure may some day arise, however, which cannot be met in this way.—*Montreal Times.*

DIVIDEND.—The BANK OF BRITISH NORTH AMERICA has declared a dividend for six months of five per cent.

TO BANKERS.—A gentleman, thirty years of age, who has acted as cashier in a banking house at Oswego, NEW YORK, for over five years, desires a similar position in the West or South. Unexceptionable testimonials and bonds furnished. Address BANKER, care of BANKER'S MAGAZINE Office, New York.

NEW YORK BANK DIVIDENDS.

Payable in 1873 and 1874; with surplus profits of each; continued from page 226, September number, 1873.

Name.	*Capital.*	*Dividends.* Feb. '73.	Aug. '73.	Feb. '74.	*Surplus.* Dec. '73.
*Manhattan Bank	$2,050,000	5	5	5	$1,205,000
National B. of the Republic.	2,000,000	4	4	4	433,600
*German-American Bank	2,000,000	4	4	4	94,200
St. Nicholas National Bank.	1,000,000	4	4	4	211,900
*Corn Exchange Bank	1,000,000	5	5	5	621,600
*Pacific Bank	422,700	†3	†3	†3	367,500
Tenth National Bank	1,000,000	—	—	‡2½	166,800

* State banks. † Quarterly dividend. ‡ January.

DEATH.

In FREMONT, OHIO, on Wednesday, January 21st, aged seventy-three years, SARDIS BIRCHARD, President of the FIRST NATIONAL BANK of Fremont, and founder of the banking house of BIRCHARD & OTIS.

THE NATIONAL BANKS.

In the Senate of the UNITED STATES, on Monday, February 9th, Mr. BOUTWELL (of MASS.) introduced a bill amendatory of the National currency act, which was referred to the Finance Committee. The following is the text of the bill.

Be it enacted, &c., That it shall not be lawful for any banking association, organized under the said act, or under any act amendatory thereof, to pay interest on deposits to banks, banking companies, or banking associations; nor shall any such banking association receive interest upon money deposited with any bank, person, party, or corporation; and any banking association guilty of a violation of the provisions of this act shall be liable to penalty, equal to four times the amount of interest so paid or received, to be recovered in any court of competent jurisdiction, and it shall be the duty of the Controller of the Currency to cause proceedings to be instituted for the recovery of the penalties aforesaid and for the benefit of the UNITED STATES.

SEC. 2. That not more than one-fourth part of the amount of lawful money of the UNITED STATES that any such association may be required to have on hand, as is provided in such acts, shall consist of balances due to such associations, as is available for the redemption of its circulating notes, from banking associations approved by the Controller of the Currency.

The constant tinkering of the National bank act is quite unsatisfactory to the existing banks. The less disturbance of the law the better. No less than eight National banks were converted in the year 1873, in the State of NEW YORK, from the government system to the State system: in order to secure more consistency and stability. The present law of Congress was framed with the understanding that the charters should exist for twenty years, and not be seriously disturbed. Every new change of the law drives numerous banks to a State charter.

The present evils do not arise so much from paying interest on deposits, as from compelling the interior banks to keep a large deposit in those of the cities. These deposits lessen so much the ability of the interior bank to aid its customers; and (still worse) such deposits are used in Wall Street to promote speculation in stocks.

One of the established principles of banking is to allow a reasonable interest on deposits. If the National banks are deprived of this privilege they will immediately avail themselves of State charters, wherein no such prohibition exists; and will seek and receive deposits from as many sources as possible. It is not the use of the present privilege of paying interest on deposits; it is the ABUSE of the system. The law should not encourage or *insist* upon country deposits in city institutions. It is well known that such deposits are made for safe keeping, not for the encouragement of speculations among stock brokers. Nothing has contributed more to the unhealthy rise of stocks in Wall Street than the immense loans by city banks "on call." The motive for the latter is the desire to keep a large amount (otherwise idle) in loans subject to recall at a short notice. Call loans are known to be dangerous both to the lenders and to the borrowers. The London practice is safer, where surplus funds are invested in government, exchequer or other securities bearing a low rate of interest.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from February No., page 675.)

(Monthly List; continued from February No., page 675.)

MARCH, 1874.

Banks are requested to furnish prompt notice of any future changes.

NEW YORK CITY.

Name of Bank.	*Elected.*	*In place of*
Continental Nat. Bank, N. Y. City	Charles Bard, *Pres.*	N. A. Cowdrey.
Bank of Franklinville, NEW YORK	Jason D. Case, *Cash.*	....
Selma Savings Bank, Selma, ALA.	E. T. Fowlkes, *Cash.*	William White.
Bank of Gilroy, CAL.	James G. Zuck, *Pres.*	....
" " "	Samuel Barkley, *Cash.*	....
People's Bank, Pueblo, COL.	W. A. Offenbacher, *Pres.*	C. H. Blake.
Bank of Chicago, Chicago, ILL.	Thomas H. Ellis, *Pres.*	S. J. Walker.
Second Nat. Bank, Aurora, "	Alonzo George, *Pres.*	Daniel Voiintine.
" " " " "	Daniel Volintine, *Cash.*	T. C. Williams.
Springfield S.B., Springfield, "	V. Hickox, *Pres.*	S. H. Melvin.
Decatur National Bank, "	J. P. Moore, *Cash.*	James Steele.
First Nat. Bank, Shelbyville, IND	John J. Young, *Cash.*	A. D. Lynch.
Second Nat. Bank, Lafayette, "	Daniel Royse, *Pres.*	*H. S. Mayo.
First Nat. Bank, South Bend, "	J. R. Foster, *Pres.*	J. A. Hendricks.
First National Bank, Boone, IOWA	....	Vincent Wood.
First Nat. Bank, Burlington, "	George C. Lauman, *V. Pres.*	....
" " " "	J. C. Osgood, *Cash.*	George C. Lauman.
Second N. B'k, Leavenworth, KAN.	A. M. Clark, *Pres.*	J. C. Stone.
Holyoke Nat. B'k, Holyoke, MASS.	Charles B. Fisk, *Cash.*	F. S. Bacon.
First Nat. Bank, Centreville, MICH.	Henry S. Platt, *Cash.*	E. Talbot.
Second Nat. Bank, St. Louis, MO.	W. H. Waters, *Pres.*	E. D. Jones.
First National Bank, Clinton, "	W. D. Tyler, *Cash.*	J. M. Avery.
First National Bank, Hannibal, "	Amos J. Stilwell, *Pres.*	Josiah Hunt.
First Nat. B'k, Jefferson City, "	Wm. Q. Dallmeyer, *Cash.*	William C. Boon.
German Savings B., St. Joseph, "	G. H. Koch, *Pres*	T. J. Chew, jr.
Nebraska City N. B'k, NEBRASKA.	W. E. Dillon, *Pres.*	D. J. McCann.
First Nat. Bank, Elizabeth, N. J.	W. P. Thompson, *Cash.*	A. S. Woodruff.
Somerset Co. B'k, Somerville, "	John G. Veghte, *Pres.*	Joshua Doughty.
" " " "	T. W. Frech, *Cash.*	John G. Veghte.
First National Bank, Fremont, O.	James W. Wilson, *Pres.*	*Sardis Birchard.
Richland Nat. B'k, Mansfield, "	S. B. Sturges, *Pres.*	A. L. Grimes.
" " " "	M. B. Bushnell, *Cash.*	J. M. Jolley.
First National Bank, Napoleon, "	Edward S. Blair, *Pres.*	James M. Miller.
First National Bank, Zanesville, "	George H. Stewart, *Cash.*	Edward Martin.
First National Bank, Medina, "	G. H. Damon, *Cash.*	W. W. Pancoast.
Exchange Bank, Titusville, PA.	Joseph A. Neill, *Pres.*	G. K. Anderson.
" " " "	E. C. Hoag, *Cash.*	H. B. Cullum.

* Deceased.

Name of Bank.	*Elected.*	*In place of*
Second Nat. B'k, Providence, R. I.	James M. Kimball, *Pres.*	Thomas A. Doyle.
Second Nat. B'k, Jamestown, N.Y.	E. W. Stephens, *Cash.*	George W. Tew, jr.
Judson's Bank, Ogdensburg, "	John D. Judson, *Pres.*	....
" " " "	James C. Armstrong, *Cash.*	....
Union & Planters', Memphis, TENN.	C. W. Goyer, *Pres.*	W. M. Farrington.

The BANKER'S MAGAZINE *contains a monthly list of recent changes of President and Cashier, for the information of bankers at a distance. Subscribers are requested to give us notice of future changes. No charge is made for such announcements.*

NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from February Number, page* 670.)

☞ Additions for this list are solicited from the subscribers to this work.

NEW YORK CITY.

Forrester & Germond, 30 Broad.
Fyshe & Cornings, 31 Wall.
Dellinger, Crawford & De Wolf, 22 Broad.
Netter & Co., 50 Exchange Place.
Julius Simon & Co.
Whittingham & Washburn, 11 Wall.
Alex. Taylor & Sons, 56 Broadway.
Washburn & Thayer, 62 Broadway.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Brownsville, GEO.	Powell & Murphy	Inman, Swann & Co.
Lincoln, ILLS.	Mayfield & Youtsey	Nat. Bank State of N. Y.
Mitchell, IOWA	Sweatt & Prime	Dry Goods Bank.
Northwood, "	Pike & Bentley	Henry Clews & Co.
Clinton, "	Clinton Co. Savings Inst.	" "
Eureka, "	Martindale, Tucker & Co.	National Trust Co.
Paducah, KY.	L. S. Trimble & Co.	Tenth National Bank.
Almont, MICH.	C. Ferguson & Son	Mercantile Nat. Bank.
Northville, "	A. S. Lapham & Co.	Robins, Powell & Co.
Middleville, "	Brown, Combs & Co	Ninth National Bank.
Grenada, MISS.	R. Mullen	Ninth National Bank.
Holden, MO.	M. A. Plumer	Donnell, Lawson & Co.
Miami, "	Miami Savings Bank	" "
Platte City, "	Cockrill & Co	" "
Jefferson City, "	Jefferson City Bank	" "
Bannock, MONTANA	H. F. Graeter & Co	" "
Tekamah, NEB.	A. Castellar & Co	Chemical National Bank.
Philadelphia, PA.	De Haven & Townsend	Fisk & Hatch.
" "	Morris & Smith	" "
" "	Joseph T. Shoemaker & Co	James T. Bates & Co.
Kasson, MINN.	C. Hardin & Son	Gilman, Son & Co.
Baltimore, MD.	J. Harmanus Fisher	Hallgarten & Co.

* Deceased.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Jordan, NEW YORK	Rodger & Co.	First National Bank.
Lima, "	D. Stanley	Ninth National Bank.
Owego, "	Hamlin Jones	Bank of North America.
Mt. Vernon, "	John M. Masterton & Co.	Manuf. & Merchants' B'k.
Denton, TEXAS	T. W. & J. M. Dougherty	Donnell, Lawson & Co.
Chardon, OHIO	Geauga Savings & Loan Ass.	Henry Clews & Co.
Cuyahoga Falls, "	International Bank	Am. Exch. Nat. Bank.
Toledo, "	N. W. Savings Depository	Ninth National Bank.

DISSOLVED OR DISCONTINUED.

(*Monthly List, continued from February No., page* 676.)

NEW YORK CITY.

H. W. Gray & Avery.
Jacob Little & Co. (now Shack & Little).
J. S. Colgate.
Osgood & Co.
Fearing & Dellinger.
Hays & Drake.

COLORADO.—Bank of Denver, *Denver.*

ILLINOIS.—Mix & Miller, *Aurora;* M. Mayfield & Son, *Lincoln,* (now Mayfield & Youtsey.)

MICHIGAN.—James Matthews, *Negaunee.*

MISSOURI.—Canton Savings Bank, *Canton,* (consolidated with Lewis County Savings Bank;) Eakin & Hammer, *Miami,* (succeeded by Miami Savings Bank;) First National Bank, *Kansas City.*

NEW YORK.—R. G. Sperry & Co., *Jordan,* (succeeded by Jordan & Co.;) C. W. Gibson's Exchange Bank, *Lima.*

OHIO.—N. G. Nettelton & Co., *Cincinnati,* (discontinued business;) Harshman & Co., *Dayton,* (failed February 17.)

PENNSYLVANIA.—De Haven & Brother, *Philadelphia,* (now De Haven & Townsend;) Alfred Smith & Co., *Philadelphia,* (succeeded by W. H. Shelmerdine & Co.;) Franklin Savings Fund (failed); Lawrenceburg Savings Bank, *Parker's Landing;* Dime Savings Bank, *Slatington.*

WISCONSIN.—City National Bank, *Green Bay,* (succeeded by Kellogg National Bank.

TEXAS.—Poak & Jones, *Bonham,* (succeeded by the Fannin County Bank.)

LONDON.—Pixley, Abell, Langley & Blake, are succeeded by Blake Brothers & Co., No. 62 Gresham House, Old Broad Street, who will transact a general banking business.

NOTES ON THE MONEY MARKET.

NEW YORK, FEBRUARY 24, 1874.

Exchange on London, at sixty days' sight, 4.84 *a* 4.85 *for gold.*

The panic of 1873 is succeeded by a plethoric money market in January and February, 1874. This is a natural result of the contraction in business which followed the revulsion of last fall; when business men find the money channels locked up or seriously disturbed, and no facilities existing for bank loans, they immediately take measures to curtail their business movements and their obligations, and to adapt themselves to the new condition of affairs. Some shrewd men had the sagacity early last year to see the financial storm approaching, and thus got their houses ready by the reduction of their cash liabilities and the avoidance of new ones.

A reduced number of borrowers in the market makes money more abundant. The greater abundance of capital, at cheap rates, usually creates speculation and heavy undertakings. This is notably the case here as well as in Europe. The money market of GREAT BRITAIN alone last year supplied readily the demands for two hundred millions sterling for new undertakings, foreign loans, &c. (see pp. 697–710 current number of this work). The most active cause of disturbance in the money market at present are the debates in Congress on the subject of the currency. There are two distinct parties in that body, each zealous in its own views. On one side we see urgent appeals made to the Senate and to the House for a large volume of paper currency, as if forty millions of such issues would relieve forty millions of people. Those who have no money and no wealth are very apt to urge the issues of more paper to support their speculations and to meet their own indebtedness. On the other side the conservative and prudent business men claim that there is already too much paper money in the country and that its reduced value unfits it for the ordinary transactions between debtors and creditors.

It has been shown in the Senate debates that the fresh issue of forty millions of paper dollars would add nothing to the wealth of the country; and that the issue would soon be followed by demands for more. Some of the Senators acknowledge the obligation of the Treasury to redeem existing issues of paper, according to the solemn promise made ten or twelve years ago by Congress.

It would be difficult for us to keep pace with the new debates on this subject, or to record the many schemes of late before Congress to relieve (!) those who have undertaken too much business for their means, and who are "catching at straws" to save themselves from sinking.

The Treasury Department, in violation of the report of the Senate last year, to the effect that the department had no authority to re-issue redeemed legal tenders (see BANKER'S MAGAZINE, February, 1872, pp. 643–649), continues to pour out millions of illegal tenders per month, thus adding to the difficulties experienced in the proposed step for the resumption of specie payments.

The current demand for money for temporary use is insufficient to give employment to a considerable portion of the surplus funds offered on the market at current rates of interest, mainly held for account of country bankers. Call loans are readily obtained in large sums upon government securities at 3 per cent., and on stock collaterals, for ordinary requirements, at 4 *a* 5 per cent., while others, with second-class securities pay 6 *a* 8 per cent. First-class com-

mercial paper maturing within sixty days is in good demand from dealers at 5 *a* 6 per cent. per annum discount; obligations having four months to run are placed at 6 *a* 7 per cent. These quotations are for first-class paper. There are at all times various grades of commercial paper on the market, ranging from 8 *a* 12 per cent. or higher, which find purchasers.

The National banks in the City of New York are forty-eight in number, with an aggregate capital of $35,374,000. The City banks have increased their loans, since December last, from 252 to 278 millions; their deposits are about 470 millions; and their legal tenders are within eleven millions of the amount on hand in July, 1871. We annex the returns for the year 1873-4 and for previous years.

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5......	$257,852,460	$12,794,892	$65,026.121	$32,762.779	$202,533,564	$466.987,787
Jan. 4, '68..	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69..	259,090,057	20,736,122	48,896,421	34,379,609	180,490.445	585.304,799
Jan. 3, '70..	250,406,387	31,166,908	45.034,608	34,150,887	179,129.394	399,355,375
July 4.....	276,496,503	31,611 330	56.815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71..	263,417,418	20,028.846	45.245.358	32,153,514	188,238,995	467,692.982
July 3.....	296 237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72..	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561.802,964
July 1.....	289.002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73..	277,720,900	19.478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3.....	286,879.600	18,612,200	45,802,100	27,501.000	217,168,500	661.411,941
April 7.....	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
July 7.....	286,905,800	33.551,400	48,168,000	27,276,200	232,369,400	478,571,386
Sept. 1.....	288,883,000	23,095,200	44,729,300	27,281,900	220,390,300	447,799,948
Ten weeks intermission to Bank Reports.						
Dec. 8....	252,373,500	21,158,600	38,214,000	27,186,100	182.015,300	419,721,752
Jan. 5, '74.	261,135,400	28,395,600	46,458,100	27.186,300	205,399,500	361,517,913
" 26....	267,611,100	34.739.100	57.883 300	27,024,700	232,691,800	492.701,235
Feb. 2....	269,995,800	33,342,100	58,877.700	26,898,800	233,119.800	422,936,392
" 9.....	277,237,100	32,220,700	59,052,900	26,903,800	239,958,800	429,952,935
" 16....	278,217,000	30,687,200	59.872,100	26.895,600	239 670,700	469.999,819
" 23.....	283,230,600	28,363,000	60,150.600	26,771,300	239.767,300	438,953,334

For Bank shares there is a fresh demand for investment, and liberal prices paid. The following are the current quotations for New York City bank shares:

	Offered.	*Asked.*		*Offered.*	*Asked.*
New York	125	130	American Exchange	109½	110
Manhattan	145	150	Pacific	..	200
Mechanics'	136	140	Bank of the Republic	102½	105
America	150	160	Metropolitan	129½	133
City	265	270	Market	118	125
Phenix	96½	100	Continental	77	80
North River	..	82½	Importers and Traders'	194	199
Fulton	150	175	Park	..	145
Butchers and Drovers'	..	145	Manuf. and Merchants'	..	90
Mechanics and Traders'	121	124	New York National Exch.	65	66
Gallatin National	125	135	Central National	99	100
Merchants' Exchange	80	90	Fourth National	105	106
Leather Manufacturers'	150	160	Ninth National	100	106
Commerce	117	120	Bankers and Brokers' As.	90	92
Mechanics' Banking Assoc'n	75	90	German-American	93½	94½
Mercantile	115	117	Germania	112	114

The Boston banks have a combined capital of $50,040,000, with fifty-one National banks. They nearly recovered in January last the strong position held in 1868 and 1869, but are again extending their loans and reducing their legal tenders. We annex the latest returns and a comparison with former years:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484 536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872	115,878,481	4,469,483	9 602,748	25,715,976	46,994,488
July 8	112,164,800	2,740,100	9,471 800	24,877,000	48,875,500
The deposits after this date include the amount due to other banks.					
Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb. 3	125,088,700	2,253,300	11 507,300	25,485,800	77,272,500
April 7	120,001,600	922,600	8,939,300	25,519,400	64,623,200
July 7	122,947,000	1 935,400	11,267,600	25,487,700	73,218,900
Sept. 1	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Oct. 6	119,468,000	1,363,400	8,308,100	25,948,400	55,913,400
Nov. 3	119,788,400	1,849,400	9,045,400	26,139,100	59,399,200
Dec. 1	119,483,400	2,612,200	10,559 300	26,049,300	62,779,200
Jan. 5, 1874	124,287,100	3,513,800	10,466,300	25,791 600	70 219,200
" 26	125,049,400	4,500,500	11,039,800	25,693,500	72,524,200
Feb. 2	125,276,300	4,244,300	11,244,400	26,641,900	73,374,100
" 9	126,485,000	4,184,900	11,110,900	25,673,900	75,288,400
" 16	126,899,400	3,968,800	10,909,700	25,539,600	76,007,300

There was more activity this month in State bonds and prices advanced. The leading features were Tennessee sixes, which made a sharp advance, the old bonds selling as high as 91, and the new series at 71 *a* 71¼. Virginias were next in point of interest, selling at 51⅞ *a* 52 for consols. The following are the bids this week:

	Offered.	*Asked.*
Tennessee 6s, old	90½	91
Tennessee 6s, old, ex-coup	71⅛	72
Tennessee 6s, new	90½	91
Tennessee 6s, new, ex-coup	70⅝	72
Tennessee 6s, new series	70⅞	71½
Virginia 6s, old	36	38
Virginia 6s, new	42	44
Virginia 6s, C. B.	52	52½
Virginia 6s, D. B.	11½	12
Georgia 6s,	75	80
Georgia 7s, new	87½	90
Georgia 7s, Gold B	65	70
North Carolina 6s, A. & O.	—	28
North Car. 6s, N.C.R J. & J.	35	37
North Car. N.C.R.A. & O.	35	37
North Car. N.C.R. 7 off J. & J.	25	28
Missouri 6s, Han. & St. Jo. Is.	91½	92
Missouri As'm or Un'y	91	92
Louisiana 6s	41	42
Louisiana 6s, new	41	42
Connecticut 6s	101¾	105
Arkansas 6s, Funded	33	35
Arkansas 7s, L.R. & F.S. Is.	20	24
Arkansas 7s, L.R.P.B. & N.O.	16	18
Texas 10s, 1876	85	102
Ohio 6s, 1881	103	103
Ohio 6s, 1886	103⅛	105

	Offered.	*Asked.*
Kentucky 6s	99	100
Illinois Coup. 6s, 1877	96	98
Illinois Coup. 6s, 1879	96	98
Illinois War Loan	96	100
Indiana 5s	101	103
North Car. N.C.R. 7 off A.&O	25	26
North Car. F.A. 1866	—	27
North Car. F.A. 1868	—	27
North Car. new bonds, J. & J.	—	21
North Car. S. T. class 1	10¼	11
North Car. S. T. class 2	10¼	11
North Car. S. T. class 3	10¼	10½
South Carolina 6s	25	26
South Carolina 6s, Jan. & July	9½	10¼
South Carolina 6s, A. & O.	14	18
Missouri 6s	94½	95
Michigan 6s, 1878–1879	100	102
Michigan 6s, 1883	100	102
New York Reg'd By L'n	106½	107
New York Coup. By L'n.	106¾	108
New York 6s, C. L'n 1874	112	114
New York 6s, C. L'n 1875	110	112
New York 6s, C'l L'n 1877	110	112
New York 6s, C'l L'n 1878	110	112
New York 5s, C'l L'n 1875	105	108
New York 6s, Gold, 1887	114	116

The Philadelphia banks are following those of New York in enlarging their loans, while their legal tenders are diminishing. Prudence dictates a sounder policy, instead of encouraging wild speculations, as last year. Their statements below compare favorably with those of the year 1873. There are 29 institutions with a combined capital of $ 16,935,000.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868...	$ 52,002,304	$ 235,912	$ 16.782,432	$ 10,639.000	$ 36,621,274
" 4, 1869...	50,716,999	252,483	13,210.397	10,593.719	38,121,023
" 3, 1870...	51,662,662	1,290,096	12,670,198	10,568,681	38,890.001
" 2, 1871...	51,861,827	1,071,528	12,653,166	10.813.212	38 660,403
" 1, 1872...	55,631,723	1,069,585	11,228,988	11,348.851	42,049.757
July 1, " ...	59.659 324	228,338	13.952,002	11,345,868	50 021.793
Jan. 6, 1873...	55.370,011	424,458	10,576,155	11.331,579	40,861,114
Feb. 3, " ...	57.062 437	352.775	10,599.532	11,370,253	42.120.451
April 7, " ...	57,075,617	130,936	9,663,471	11,475,119	40,124.310
July 7, " ...	60.480,403	322.626	14.513.757	11,431.847	48,200,545
Sept. 1, " ...	59,317,093	208,580	13,348,119	11,454,680	45,089.892
Nov. 24, " ...	58,194,000	959,000	14,741,000	11,519.000	45,847.000
Dec. 1, " ...	57,724,144	754,097	14,900,484	11,546,740	45.759,626
Jan. 5, 1874...	57,772.523	1,173,796	15,353.571	11,481,558	48,378.204
" 26, " ...	57,308,854	1,129,756	16,958,299	11.457.749	47.764.664
Feb. 2, " ...	57,170,073	1,002.109	17,530,254	11,450.353	48 618,062
" 9, " ...	57,633,773	1,167,097	17,493,089	11,448,122	47,834.706
" 16, " ...	58,037,506	984,044	17.427.908	11,469.468	47.835 350

For last week's steamers, foreign exchange remained steady on the basis of $ 4.84 *a* $ 4.85 for bankers' 60 days' sterling bills, and $ 4.88 *a* $ 4.88½ for do. at short sight. We quote as current rates: Bills at 60 days on London, 4.82 *a* 4.83 for commercial; 4.84 *a* 4.85 for bankers; do. at short sight, 4 88 a 4.88½; Paris at 60 days, 5.23¾ *a* 5.17½; do. at short sight, 5.12¾ *a* 5 12½. Antwerp, 5.25 *a* 5.20; Swiss, 5.25 *a* 5.20; Hamburg, 4 Reichsmark, 95 *a* 95⅞; Amsterdam, 40½ *a* 41; Frankfort, 40¾ *a* 41¼; Bremen, 4 Reichsmark, 95 *a* 95⅞: Prussian thalers, 71 *a* 71⅞.

Sixty days Bills.	*Nov.* 21.	*Dec.* 22.	*Jan.* 21.	*Feb.* 24.
On London, bankers'	106½ *a* 107	108⅜ *a* 108⅝	4.82 *a* 4.83	4.82 *a* 4.83½
" commercial	105¼ *a* 106	108 *a* 108½	4.80 *a* 4.82	4.84 *a* 4.85
Paris, francs, p. dollar	5.42½ *a* 5.31¼	5.28¼ *a* 5.20	5.27½ *a* 5.21¼	5.23¾ *a* 5 17½
Amsterdam, p. guilder	38⅝ *a* 39¼	40¼ *a* 40¾	40⅛ *a* 40¾	40½ *a* 41
Frankfort, p. florin	39½ *a* 40¼	40⅝ *a* 41⅛	41⅝ *a* 41⅛	40¾ *a* 41¼
Hamburg, p. 4 R'mark	92½ *a* 93½	94⅝ *a* 95⅜	95 *a* 95¾	95 *a* 95⅞
Prussian thalers	69½ *a* 70⅓	71 *a* 71¼	71 *a* 71⅞	71¼ *a* 72

The Bank of England maintains a stronger position than in February of 1873, or previous. The stock of gold is accumulating till it is now over twenty-six millions sterling. We annex a table, showing a comparative view of the bank returns, the bank rate of discount, and the price of consols during a period of four years, corresponding with the present month, as well as ten years back.

	Feb. 3, 1874.	*Feb.* 8, 1871.	*Feb.* 7, 1872.	*Feb.* 5, 1873.	*Feb.* 4, 1874.
Circulation	£21,162,626	£23,217,492	£25,003.050	£25,294,230	£26 009,930
Public deposits	6.748.867	6,421,837	7,421,083	11,778.526	6,081,109
Other deposits	13,372,981	18.369,371	20,121,769	17,474,569	17.7 9,293
Government securities	11,124.584	12,915,011	13.995.414	13.287,688	13,897,455
Other securities	20,214.750	17,220,239	17,718,624	19,324.896	10,981.323
Reserve of notes & coin	7,397,593	13,320,098	14,177,199	15,068 828	11 293,259
Coin and bullion	13,303.243	21,782,833	24,180,249	25,361,058	22,303,189
Bank rate of discount	8 per cent.	2½ per cent.	3 per cent.	3½ per cent.	3½ per cent.
Price of Consols	90⅝	91	92	92⅜	92¼

THE

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THE

FIELD AND IMPORTANCE OF POLITICAL ECONOMY.

By Albert S. Bolles.

In *The Principles of Economical Philosophy*,* Macleod has given an elaborate criticism upon several definitions of political economy, and then offered one himself which, in his opinion, "appears to state clearly and distinctly the nature and extent of the science, and to be free from the ambiguities connected with the words wealth and value." At the risk of being ambiguous, we shall not give a definition so precise, because a commoner one can be more easily understood. According to an old and well-received definition, the principles of political economy relate to the production, distribution, exchange, and consumption of wealth. No higher origin is claimed for these principles than an enlightened self-interest. They are such as every man entertains having regard solely for his own interests from the most enlightened point of view.

Although without moral foundation, these principles yield the same results in the production, distribution, exchange, and consumption of wealth, as obedience to a perfect moral code. Wherever economic and moral science touch, the principles of human

* P. 122, 2d ed.

conduct prescribed by each are seen to be the same.* The remark of Dr. WAYLAND is perfectly true, that "the principles of political economy are so clearly analogous to those of moral philosophy, that almost every question in the one may be argued on grounds belonging to the other."†

For example, moral science condemns laws made in restraint of trade.‡ It teaches that every man has the right to traffic where he pleases, unfettered by State lines. The primary object of enacting such laws is to enrich the few at the expense of the many. The protectionist urges their enactment for the public good, or for some reason beyond his own aggrandizement; the history of political legislation clearly shows that the prime object of all protective laws is to benefit particular individuals, or a class, and not all. Of course, moral science condemns such legislation.

They are condemned by political economy also, which looks at them with the sharp eye of enlightened selfishness. It sees that if the public good is the object of protection, everything must be protected conducive to that end; and if this doctrine be admitted, protective laws will be enacted so generally as to afford protection to nothing. If the principle is not to receive a logical and just application, and merely that a few things most needed by the public are to be protected, their increased cost to the consumer will result in his protecting himself by charging more for whatever he sells, so that, after a time, the effect of protective laws is completely neutralized.

Moral science, then, condemns legal protection because it is wrong; economic science because it is impossible to get protection by operation of law. The conduct of people in either case is the same, only it is impelled by different motives in one case than in the other.

As this position will hardly be assailed by any one—that the principles of economic and moral science yield the same results—is it not better to transfer the principles of political economy from a selfish to a moral basis? We favor this transfer for four reasons.

First, more persons will be drawn to the study of economic principles. Now, it is said, they are cold and bloodless, and tend to increase human selfishness. If made a portion of the truths of moral science, this objection to them will disappear.

Secondly, in the classification of knowledge, it will be easier to find an appropriate place for political economy. Instead of being a piece of knowledge standing apart by itself, it will form a subdivision of moral science. Political economy in that case would constitute that part of moral science relating to the production, distribution, exchange, and consumption of wealth.

Thirdly, after deriving the principles from a moral source, they

* PERRY'S *El. of Polit. Econ.*, p. 37, 5th ed.

† Pref. *El. of Polit. Econ.*, p. 4, 4th ed. ‡ For an elucidation of the operation of protective laws, see chap. 15th.

can be enforced by showing their harmony with enlightened self-interest. Thus the combined power of morality and selfishness can be used to sustain these principles by founding them upon a moral basis. We have previously seen in the example of protective legislation, how the selfish mind, cold, clear, and enlightened, supplements and enforces the transparent conclusions of morality. Moral science condemns such laws because they are wrong; economic science because they are at war with self-interest and have only a nominal, and not a real, existence after a period.*

Fourthly, political economy is properly a subdivision of moral science, because the will operates in every transaction with which economic science is concerned. This faculty exercises only moral functions. If the principles of political economy were immutable, if the will were a stranger in their production, if no moral quality adhered to them, political economy would be entitled to a seat among the exact sciences. But these principles are not fixed, because the human will is an element determining what they are. The rules which have guided men in the past respecting the acquisition or disposition of their wealth, are only hypotheses in respect to what they will do in the future. Quite absurd is the claim that economic principles are absolutely fixed, and therefore purely scientific principles. Having no place in exact literature, and the will being a part of the machinery by which economic principles are created, they ought to be relegated to the domain of moral science.†

If the principles of political economy are transferred from a selfish to a moral basis, the method of searching for them is not changed. Economic principles are still the fruit of induction. And it is worthy of note how extensively employed is the inductive method in political economy. ADAM SMITH, it is true, did not write an inductive treatise. His *Wealth of Nations* is a great landmark in the history of thought, but its success is due to the fact that he put ten years of patient labor upon the work, combining in the happiest manner a philosophic insight with a knowledge of practical life, deducing therefrom principles which have found universal acceptance. It is easier to dream and speculate than to burrow amid a great mass of facts; yet, as the gold in the earth can be found only by toilsome mining, so the gold of economic truth is hid in great masses of facts which must be dug over to find it. Never did finer logicians or acuter reasoners exist than the schoolmen; never did a class of men commit greater mistakes. These followed from wrong premises. Political economy has followed too much a similar method. This is one reason why

* The insufficiency of enlightened self-interest as a competent basis for economic science has been ably discussed by FREDERIC HARRISON in the *Fort. Rev.*, vol. 1, p. 356.

† JEVONS, in his *Theory of Polit. Econ.*, has united moral and economic science, making pleasure the end, and declaring that "the object of economy is to maximise happiness by purchasing pleasure, as it were, at the lowest cost of pain" (p. 27). As JEVONS is a utilitarian, of course pleasure is the highest end for man according to his philosophy, though he gives a wider interpretation to the term than his master, BENTHAM, whom he so much admires. See pp. 27-32.

it has failed to convert men. It has been too speculative.* The change of method among economists in this respect is remarkable. Fifty years since, THOMAS TOOKE applied the inductive method in his *History of Prices* with enduring success. Later, RICHARD JONES applied it to the subject of Rent; similarly, EDWIN CHADWICK in his investigations into the questions of Factory and Infantile Labor, and Sanitary and Poor-Law Legislation. In 1867, ROGERS published his work upon the *Agricultural Prices and Wages in England during the Twelfth and Thirteenth Centuries*," a monument of patient investigation, a work which gave a new rendering of the social and economic history of ENGLAND for the period it covered, "enabling us to see," says NEWMARCH,† "in detail, how far-reaching and potent were wages, prices, and pestilences in modifying from top to bottom the coherence of the English polity, and the power of our sovereign lord the king, under the early Plantagenets."

Other economic works might be spoken of, prepared in a similar way, DUDLEY BAXTER's books upon *National Income*, and *Taxation of the United Kingdom*, and LEONI LEVI's *History of British Commerce*, are examples. As for FRANCE, she has been noted for her economists who have burrowed and lived among the facts. CHEVILIER, in all his works, has kept close to the inductive method. So has M. DE LAVERGNE when treating upon the moral economy of his own and other countries. M. LEVASSEUR and M. LE PLAY have considered the claims of the working classes of FRANCE in a similar manner. The same may be said of M. JULES SIMON.

Of the political economists in our own country following this method, not so much can be said. The most prominent example who has addressed himself to the mastery of facts as the foundation of his subsequent reasonings, is DAVID A. WELLS. In his reports to the National Government and to the State of NEW YORK, and in other papers, he has adhered rigidly to the inductive method. For many years pursuing physical science, he has employed its methods in finding out the principles of political economy. His results have, in some instances, been as unexpected to himself as they were startling to the public. They are none the less true, however, or less likely of being accepted in the end. The National and State Governments are learning the value of this method, for they are appointing commissions and requiring investigation and reports upon many subjects lying in the province of political economy. Never was a more inviting field of investigation open to the student of economic science than our own country, nor one where patient, honest investigation was more needed. The facts are lying around in the greatest profusion, while the honest and accurate gatherers are few.

* "Half, and more than half, of the fallacies into which persons who have handled this subject have fallen, are the direct outcome of purely abstract speculation." ROGERS in preface to his edition of *Smith's Wealth of Nations*, p. 41.

† Address before the British Social Science Association, 1871.

Although the true principles of political economy are ascertained by induction, and all others are only guessed, yet none are hard, fixed laws that never change in their occurrence, like the movements of the sun. On the other hand, the element of human freedom, as we have previously remarked, enters into their composition, preventing us from determining their absolute truth, as we can the laws of physical science. MACLEOD, in his *Principles of Economical Philosophy*,* has labored industriously, and with great ability, to bring economic science within the domain of physical science, but we cannot regard his attempt as successful. COMTE and JOHN STUART MILL have comprehended the nature of economic principles more perfectly. They admit the play of the human will; hence the Frenchman was consistent in rejecting political economy from his scheme of positive philosophy. One of his disciples,† in vindicating his master, has very well said: "So far as physical conditions go, and up to a point where moral conditions begin, strict scientific laws can be established. . . . Directly the data of the study become affected by moral conditions, the conclusions of the economist as such cease to be scientific laws, and are only hypotheses." For this reason, therefore, political economy can never become an exact science. However far we may carry our inductions, a large element of variation must be allowed for the action of the will. As the land surveyor can never determine with exactness surface and direction on account of variation of the needle, so the economist can never discover by the most patient study of facts, any unalterable laws of economic science, because of the infinite variations in the will of men. The farthest he can go is to ascertain how men have acted under former conditions, and form the hypothesis that, under like conditions, similar actions will be produced.‡

As the principles of political economy are ascertained by induction, any one capable of making an induction can find them out. A knowledge of economic principles involved in a particular pursuit is not necessarily limited to those engaged in that business. The sole advantage one man has over another of equal ability is in a knowledge of facts, out of which inductions spring.

Thus the charge, that only business men, practical men, can understand the principles of political economy, is conclusively refuted. The charge contains this basis of truth and no more—that business men often know more facts concerning their business than outsiders; hence they are more capable of forming correct conclusions.

The history of political economy attests the truth of this assertion. For, who are the most successful cultivators of the science? Who have wrought out those principles which most persons are

* Chap. I. † FREDERIC HARRISON, *Fort. Review*, vol I, p. 369.

‡ DAVID SYME has declared that the "inductive method is alone applicable to the investigation of economic science, and that we shall never be able to make any solid progress so long as we continue to follow the A PRIORI method." *West. Rev.*, vol. 95, p. 100. On same subject, see Prof. CAIRNES' *Character and Logical Method of Polit. Econ.*, Lec. II.

willing to admit as true and of great importance? Are they the discovery of practical men? By no means. The great lights in economic science, from the day of ADAM SMITH to this, have not been practical men.* Political economists have walked with the man of business, have gleaned from him all that he knew, and, not content with exhausting one storehouse of experience, have exhausted others, dug in rare and rich mines of which practical men had no knowledge perhaps, or no time or inclination to explore. As the reader of the description of a battle may acquire a more perfect knowledge of it than a participator therein, because, as an eye-witness, the latter knows only what happened immediately around him, so the political economist may acquire a wider knowledge of economic principles governing a particular business even, than a person who has given to it the attention of a lifetime.

A political economist can see economic principles more clearly because his view is not mystified by pecuniary interest. His judgments are unclouded by prejudice; undisturbed by the thought of gain or loss. We need not indulge in any platitudes as to the unconscious warpings of opinions and beliefs by interest and desire; the fact is common to all.

A conspicuous illustration of the eminent service sometimes rendered by the theoretical economist, is the creation of the National banking system. This was the work of the Rev. JOHN MCVICKAR, Professor of Political Economy in Columbia College. In 1827, he wrote a letter to a member of the legislature of the State of NEW YORK, entitled *Hints on Banking*, in which he developed the system now in practice. This discovery excited the admiration of an eminent banker, JOHN E. WILLIAMS, President of the METROPOLITAN BANK of New York, who has remarked that "to a practical man of business—an every-day banker—it seems wonderful that a scholar, investigating questions in political economy, on purely scientific principles, should be able to see not only the practical workings of existing laws, and understand the indissoluble relations of money and trade, but should be also able to foresee and foretell what changes were necessary to produce the highest prosperity and secure the greatest safety to the community."†

Not infrequently the principles of political economy are declared to be mere theories. Some of them are nothing more. The difference, however, between theoretical principles, and those derived from experience, is clear enough. Scientists are continually mistaking principles for theories, regarding things as proved which are not, but only asserted or believed. That theories are useless, as some contend, we deny. Nay, they are absolutely necessary; no man can conduct his business without them. "What is practice without theory," enquires an eminent French economist,‡ "but

* "In every country in which it has been successfully cultivated, most of the contributions to it of any value have been made by writers who were not of the business world, but surveyed its operations from a distance; men for whose opinions on business matters few merchants or manufacturers would have given five cents." *The Nation*, vol. 2, p. 146.

† *Old and New Mag.*, vol. 8, p. 590. ‡ SAY. *Treat. on Polit. Econ.*, Intro., p. 24, 4th American ed.

the employment of means without knowing how or why they act." To which the words of Prof. PRICE* may be added. "It is a mistake, though a very common one, to suppose that practical men, as they are called, are destitute of theory. The exact reverse of this statement is true. Practical men swarm with theories, none more so." Theories are well enough,† only they must be regarded as such; no harm is done to economic science in including both, if the separation of principle from theory be clearly made.

The flaw with some of the principles of political economy, like many of the inductions of science, is that they rest upon insufficient foundations. A few facts are gathered, and from them a principle is deduced, which, indeed, may be correct, yet which would give way to another principle, perhaps, were a wider induction made. Every result is produced by several causes, nevertheless we are constantly blundering by satisfying ourselves with finding a single cause, and so look no farther.

To some it may seem a waste of time and space to say anything concerning the importance of knowing the principles of political economy. Yet there are peculiar reasons for saying something on this point. The extraordinary prosperity that has visited our country has spread a kind of poetic haze over the whole machinery of society, and led us to regard all inquiry into its working as an idle speculation. Before the enactment of the great tragedy between the North and South, there were but few questions relating to the administration of the government involving the application of any principles of political economy. The great debates in Congress were upon constitutional law, internal improvements, slavery, and like questions. With the breaking out of war, these questions passed away. The country had gone through the formative period of finding out the meaning and scope of the organic law. Congress was confronted with economic questions. With these it was ill prepared to deal. It had only the scantiest knowledge of them, except the question of taxing importations. The *Congressional Globe* is the enduring monument of the ignorance displayed by members of congress upon questions involving economic principles.‡

To what new economic conditions did the war give rise? It created a great debt, the interest and principal of which must be provided for and paid. A national currency and system of bank-

* *Princ. of Currency*, p. 1.

† Sir WILLIAM HAMILTON says: "Theory is dependent on practice; practice must have preceded theory; for theory being a generalization of the principles on which practice proceeds, these must originally have been taken out of, or abstracted from, practice." *Lecture on Met.*, p. 120, Am. ed.

‡ We shall give a couple of fair specimens. "All governments fix the value of gold and silver; and without their government stamp gold and silver would be a simple commodity, like other things having intrinsic value. Some governments fix the value of coin higher, and some lower; just as each for itself chooses to determine."—E. G. SPAULDING; *speech on Demand-Note Bill, January* 28, 1862.

"This currency," referring to demand notes or legal tenders, "can be converted in such a manner as to yield six per cent interest on its par value; it can never greatly depreciate, because the moment the capitalist holding it sees any evidence of its depreciation, he will convert it into the bonds bearing interest, giving him a permanent income. Thus it secures itself against over-circulation."—*Speech of* SAMUEL HOOPER *on same subject.*

ing has been created. How our country blundered in raising money to maintain the war, and spent it; how the strife might have been carried on and the debt been less than half it is, are mistakes which we shall not recall.

Unquestionably our country has suffered most fearfully from an ignorance of, or failure to apply, some of the most familiar principles of political economy. One of its most distinguished teachers, AMASA WALKER, clearly set forth in a congressional speech, during the early part of the war, how it might be carried on at less than half the expense which Congress was likely to incur, by sticking to specie payments, instead of abandoning them for an irredeemable paper currency. His words, deemed foolish then, have long since borne evidence of their wisdom and truth. The issue of an irredeemable currency, so pointedly condemned by him and other economists, has wrought a thousand curses to our country, from which we are suffering to-day and are to suffer for years to come.

Letting the past go, many of our politicians do not yet understand the principles of political economy, the application of which are needed to settle questions confronting the nation. For example, there are questions of taxation both upon imports and property at home. The principles which should govern in these matters, some of our politicians are as ignorant of as the grandest truths in astronomy. The National banking system, the currency, free banking, specie payments, redemption of legal-tender notes—are all subjects within the domain of political economy, whose principles must be mastered if these matters are to receive a rational settlement. The views entertained upon these questions, the nonsense and ignorance displayed by Congress when grappling with them, would be laughable were the results not so sad and so disastrous to the people.

Every session of Congress discloses its inability to grapple with economic questions.* When matters of foreign policy are discussed, or treatment of the Indians, or internal improvements, or, in the olden time, when dealing with slavery, a knowledge and mastery of the several subjects is evinced, although not all reached similar conclusions. This cannot be said of the senators and representatives in Congress in respect to economic questions, excepting a member who appears occasionally, for a brief season, within the national halls.

It is desirable, therefore, for every person proposing to serve his country in a public capacity to understand the principles of political economy, for they apply to the most important questions of

* Perhaps our congressmen may profit by learning what BURKE thought of political economy: "If I had not deemed it of some value. I should not have made political economy an object of my humble studies from my very early youth to near the end of my service in Parliament, even before (at least to any knowledge of mine) it had employed the thoughts of speculative men in other parts of EUROPE. At that time it was still in its infancy in ENGLAND, where, in the last century, it had its origin. Great and learned men thought my studies were not wholly thrown away, and deigned to communicate with me now and then on some particulars of their immortal works. Something of these studies may appear incidentally in some of the earliest things I published. The House has been witness to their effect, and has profited of them, more or less, for above eight-and-twenty years."—*Letter to a Noble Lord on the attacks upon his pension;* BURKE'S *works, vol.* 5, *p.* 192.

national legislation.* No one will dispute how the character of national legislation has been changed by the war, and that financial measures and taxation are the most conspicuous questions upon which Congress legislates.

Again, the principles of political economy are growing in importance to the individual in his business relations. Consider the relations of capital and labor. How this question looms up before the whole world. It is one of the mightiest questions of the age. It has assumed a magnitude surpassed by no other. It is convulsing the business of manufacturing and other pursuits. For years and years this question will hang like a mighty cloud over the people. Is it not desirable to find out all that can be known concerning the relation of the capitalist and laborer? Yet who has investigated this question most profoundly? The political economist. The question lies within the domain of economic science. And it has been patiently and thoroughly investigated by the economist in all its phases.†

The same is true of other questions. Take the question of restrictive laws upon foreign importations, for example. Shall the policy of the government be continued? Is it for the advantage of any one; if so, whom? Are the laboring classes benefited by it? Is the National banking system a good one? Do we need more currency? These, and a host of similar questions, fall within the range of political economy, and have been more carefully investigated by economists than by empirics, who, possessing a little knowledge and having achieved fortunes, find it hard to believe that any one has anything to tell them upon trade, finance or commerce.‡

For these special reasons, the principles of political economy have a value to the statesman and man of business hitherto unknown or denied.§ It is gratifying to know that a knowledge of these principles is rapidly widening. The issuing of eleven editions of Prof. PERRY'S *Elements of Political Economy* within so short a period, is proof that the people are awaking out of sleep and coming to believe that ignorance of the principles of political economy—which has cost us so much as a nation and as individuals—is not bliss pure and unalloyed. A little wisdom is to be preferred, and the streaks of light beginning to be seen in Congress we trust will grow in power and magnitude until that body possesses the knowledge necessary to discuss and settle wisely the great economic questions which involve the prosperity and happiness of the republic.

* Said COBDEN to the House of Commons, when addressing them on the corn laws: "It may be material for you to get right notions of political economy; questions of that kind will form a great part of the world's legislation for a long time to come."—*Speeches, vol.* 1, *p.* 384.

† If the remark of COBDEN be true—that "the principles of political economy have elevated the working class above the place they ever filled before"—should they not seek to master these principles?—*Speeches*, vol. 2. p. 373.

‡ The advantages to be derived by the Christian ministry from the study of political economy are admirably stated by Prof. BOARDMAN in the *Bib. Sacra*, vol. 23. p. 73.

§ The reasons why political economy has not been cultivated in AMERICA, are concisely given in *The Nation*, vol. 2, p. 255.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to March 1, 1874.

	January 1, 1869	*January 1, 1871.*	*January 2, 1872.*	*January 1, 1873.*	*February 1, 1874.*	*March 1, 1874.*
INTEREST PAYABLE IN COIN:						
5-per-cent. Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 195,562,300	$ 194,827,300
New Loan of 1871, 5 per cent.	....	....	96,997,650	200,000,000	298,458,750	310,870,250
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	283,681,350	282,736,350
6 per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	935,046,800	931,926,800
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,712,749,200	$ 1,720,360,700
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railr'd	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$ 7,463,503	$ 7,315,822	$1,739,938	$ 4,084,220	$ 15,176,550	$ 9,813,390
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 381,794,030	$ 382,078,592
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	47,793,333	48,640,494
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	45,004,000	40,569,800
Currency do. do.	....	....	....	25,370,000	45,560,000	50,390,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 520,151,363	$ 521,678,886
Aggregate Debt	$ 2,652,533,662	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,327,378,625	$ 2,331,154,488
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	135,700,575	139,705,976
Debt, less coin and currency	$ 2,540,707,201	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,191,678,050	$ 2,191,448,512

Coin in the Treasury, March 1, 1874, $ 85,588,222; Currency, $ 54,117,754; total, $ 139,705,976.

SAVINGS BANKS OF CALIFORNIA.

From the Commercial Herald.

Appended will be found a full semi-annual tabulated statement of the San Francisco savings banks, for the six months ended December 31st, 1873. The increase in number of depositors since July 1st, 1873, was 2,502, and the deposits were augmented $3,013,821, showing an average to each depositor of $902 gold, which is a gain of $15 during the six months, and is $540 gold more than the heaviest average due to depositors in the most flourishing savings banks of the East. The loans have increased $3,720,212, keeping regular pace with the increased volume of deposits. A very notable feature is the great economy with which these institutions have been conducted. The entire expense was but $148,520. In the smaller banks the interest paid to depositors was as high as 9 3-5 per cent., while the old institutions did a large business and paid 9 per cent. These figures are very suggestive, and their wide dissemination cannot fail to convince reflecting people everywhere that CALIFORNIA affords the fullest recompense for labor that can be obtained in any portion of the world.

We herewith present our regular semi-annual tabulated statement of the condition of interior savings banks, from which we deduce the following interesting results: Since July 1st, 1873, the number of depositors has increased 1,785, and the deposits have gained $ 1,116,641, making an average of $ 490.65 gold to each depositor. The volume of loans has been swelled in six months to the extent of $1,322,126, showing a much more active demand for the use of money, and indicating a more lively interior trade. Although the deposits and loans have each increased so largely, the expenses have been augmented by the comparatively small sum of only $7,324, proving economy and careful administration in those institutions. The cash on hand at the close of 1873 was but $130,164 more than on the 1st of July of the same year. Depositors realized from 10 to 12 per cent. per year interest on their accounts, which is much more than money so placed will earn in any other portion of the world. Many of the interior savings banks do a regular discount business, and also loan on grain and other agricultural products, which enables producers to hold for higher prices. A comparison with other institutions of like character, outside the limits of CALIFORNIA, cannot fail to convince the inquirer that this State offers inducements to immigrants unequaled by any other in the Union.

Annexed will be found a correct statement of the condition and progress of each individual savings bank:

Semi-Annual Statement of the San Francisco Savings Institutions.

January 1, 1874.

Name.	*Date of Organization.*	*Open Acc'ts. Jan. 1, 1874.*	*Deposits.*	*Loans.*	*Gross Earnings.*	*Reserve Fund.*	*Expenses & Fed. Tax.*	*Semi-Annual Div.*	*Cash on hand.*
Savings and Loan Society......	1857, July 23.	8,003	$10,126,496	$10,207,312	$513,104	$339,479	$34,933	$458,361	$210,506
Hibernia Savings and Loan Soc.	1859, April 7.	16,174	12,827,745	12,909,797	565,766	729,869	33,456	475,829	418,424
French Savings and Loan Soc..	1860, Feb. 1.	6,128	5,330,519	5,421,909	280,062	154,247	21,790	245,477	496,638
San Francisco Savings Union...	1862, June 18.	5,581	5,430,133	5,343,326	270,013	218,805	26,566	243,448	189,132
Odd Fellows' Savings Bank	1866, Oct. 13.	6,396	5,856,508	5,740,097	265,706	86,274	20,462	225,566	189,201
Farmers and Mechanics' Sav. B.	1867, July 1.	506	394,795	397,692	26,163	50,000	5,141	17,300	55,181
German Savings and Loan Soc..	1868, Feb. 10.	5,029	4,145,517	4,170,765	200,455	133,500	20,719	167,987	199,163
Masonic Sav. and Loan Bank...	1869, Nov. 4.	2,188	1,047,317	947,904	59,035	26,145	9,750	45,956	80,496
Humboldt Sav. and Loan Soc...	1869, Nov. 24.	1,000	666,201	627,518	33,834	52,736	4,179	26,078	44,247
Security Savings Bank	1871, March 2.	802	919,813	1,090,919	52,086	300,000	7,524	43,608	22,603
Totals, January, 1874........	——	51,807	$46,745,044	$46,857,239	$2,266,224	$2,091,055	$184,520	$1,949,610	$1,905,591
" July, 1873...........	——	49,305	43,731,223	43,137,027	2,233,890	1,826,967	187,478	1,911,694	1,880,133
" January, 1873........	——	46,060	42,474,935	42,828,962	2,091,113	1,852,770	182,837	1,818,406	1,174,364
" July, 1872...........	——	42,999	40,369,405	40,258,918	1,967,692	1,757,439	179,671	1,712,000	1,588,044
" January, 1872........	——	41,590	37,033,377	36,542,628	1,986,322	1,510,533	135,816	1,705,351	1,559,548
" July, 1871...........	——	38,870	34,541,597	32,310,571	1,737,149	1,485,030	124,559	1,592,022	2,728,325
" January, 1871........	——	36,862	31,289,550	30,608,376	1,772,872	1,058,036	138,318	1,490,019	2,003,641
" July, 1870...........	——	37,136	29,842,112	29,271,376	1,709,638	962,344	138,979	1,446,823	1,957,272
" January, 1870........	——	34,823	26,634,523	26,276,333	1,576,915	899,550	128,335	——	1,566,110
" July, 1869...........	——	31,974	24,773,078	24,747,705	1,409,654	822,816	123,559	——	1,128,717
" January, 1869........	——	29,893	22,372,508	22,021,510	1,134,087	725,886	102,686	——	1,295,646
" July, 1868...........	——	26,065	19,678,364	19,330,080	955,656	551,988	91,915	——	1,021,081

Semi-Annual Report of the Interior Savings Banks of California.

January 1, 1874.

Name.	*Date of Organization.*	*Open Accts. Jan. 1, 1874.*	*Deposits.*	*Loans.*	*Gross Earnings.*	*Reserve Fund.*	*Expenses.*	*Semi-Annual Div.*	*Cash on hand.*
Sacramento Savings Bank	1867, March 19,	7,500	$3,212,800	$3,045,946	$179,157	$79,075	$15,000	$145,365	$327,578
San Jose Savings Bank	1868, Feb. 1	1,723	791,094	828,338	58,025	125,000	7,453	24,384	41,585
Stockton Savings and Loan Society	1867, Aug. 12	1,516	867,048	1,037,324	69,395	327,899	6,051	44,423	128,334
Marysville Savings Bank	1869, April 17	947	771,454	771,207	48,053	10,400	6,018	38,507	34,631
Union Savings Bank, Oakland	1869, June 17	1,245	579,017	1,023,811	65,374	459,320	8,977	48,686	60,579
Oakland Bank of Savings	1867, Nov. 1	1,373	801,908	1,139,887	64,195	372,425	8,702	48,564	83,010
Capital Savings Bank, Sacramento	1869, Feb. 8	5,020	2,800,828	2,863,271	180,908	601,896	17,189	146,949	298,276
Odd Fellows' B. of Savings, "	1870, May 11	2,155	702,098	736,312	40,823	45,564	5,331	33,921	34,030
Vallejo Sav. B'k, [Report Jan 1, '73]	1871, May 1	393	153,686	350,470	44,719	209,799	6,215	29,979	13,015
Napa Valley, Napa	1871, Sept. 15	267	182,630	143,073	10,000	1,973	3,270	5,877	37,117
Totals, January, 1874	——	22,139	$10,862,563	$11,939,639	$760,649	$2,233,351	$84,206	$566,655	$1,058,155
" July, 1873	——	20,354	9,745,922	10,617,513	686,940	1,944,339	76,882	533,176	927,991
" January, 1873	——	18,441	8,956,391	10,010,853	642,991	1,870,212	80,455	469,898	790,495
" July, 1872	——	15,714	7,414,967	8,060,082	534,793	1,792,431	73,600	393,857	859,490
" January, 1872	——	15,292	7,201,729	7,862,438	536,047	1,786,046	76,542	396,114	1,015,584
" July, 1871	——	12,949	6,337,219	6,512,900	426,231	1,283,975	52,732	317,974	1,009,947
" January, 1871	——	10,673	5,266,359	5,533,026	343,810	958,345	46,867	277,813	744,203
" July, 1870	——	8,555	4,039,245	4,115,057	259,978	770,974	33,673	203,406	546,895
" January, 1870	——	5,243	2,2[illegible]9,122	2,226,465	173,043	203,052	24,740	116,404	316,520
" July, 1869	——	4,213	1,989,061	1,816,319	116,811	142,893	17,676	78,374	317,191
" January, 1869	——	2,720	1,476,025	1,143,369	74,803	81,313	10,785	52,070	409,215
" July, 1868	——	1,218	755,974	613,061	35,198	55,592	7,931	30,000	214,128
" January, 1868	——	534	299,690	275,538	8,148	51,150	2,689	——	38,473

THE ARITHMOMETER.

French Calculating Machine.

The Arithmometer is a machine by means of which persons the least familiar with figures can perform all the calculations of arithmetic; and scientific men can solve in a few minutes the most complicated problems.

Simple and very substantial, this machine offers the advantage of saving all labor in calculations.

The Arithmometer has latterly undergone some important simplifications, which have made the machine as perfect as possible. An exact idea may be given in saying that with this instrument eight figures can be multiplied by eight figures in eighteen seconds; sixteen figures can be divided by eight figures in twenty-four seconds; and the extraction of a square root of sixteen figures is made with the proof in less than a minute and a half. The foregoing may enable one to appreciate the immense services rendered by this instrument. With its aid half an hour suffices for doing, without any fatigue and with mechanical exactness, the work of a long day spent over figures, and it is easily perceived what enormous economy of time and of money results from its employment.

The worth of the Arithmometer is authenticated in the official reports as well as by the approbation of the Academy of Sciences of Paris; of the Board of Bridges and Embankments; of the Society of Encouragement ; of the Academy of Sciences of Madrid, etc.

The Arithmometer is indispensable to all persons who have to occupy themselves in calculations or in figures in banks, counting houses, pay departments, in bureaux of astronomy, of geometry, of architecture, of the arts and manufactures, in finance or in commerce.

Price of the Arithmometer delivered in New York:

Those giving	a product	of	10	figures,	without quotient,	$ 75	gold.
"	"	"	12	"	with quotient,...	125	"
"	"	"	12	"	" and effacer,	150	"
"	"	"	16	"	" ...	150	"
"	"	"	16	"	" and effacer,	175	"
"	"	"	20	"	" "	275	"

From the Director of the Observatory at Paris.

We cannot too much admire the precision of this apparatus, and the rare sagacity with which the mechanical difficulties of the undertaking have been overcome.

From the Faculty of Sciences, of Clermont, FRANCE.

This instrument is handled with ease and surety. After a few hours' practice one is entirely familiar with the divers operations which it executes, and the rapidity with which it makes multiplications and divisions is really marvelous. The ARITHMOMETER should be considered an instrument indispensable to all those who have long calculations to effect.

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The ARITHMOMETER with which you have furnished us is as ingenious as it is useful. It solves in a short time the most difficult examples of the four fundamental rules with a perfect exactitude, and we use it with great success.

This remarkable instrument is now for the first time offered for sale in the UNITED STATES. It is already used by the leading insurance companies and mathematicians of ENGLAND and the UNITED STATES, and by many of the bankers of London. For all lengthy calculations its services are invaluable, and in any large institution will repay its cost in a very short time.

All orders must be addressed to THE BANKER'S MAGAZINE, 251 Broadway, New York, sole agency for the UNITED STATES.

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251 Broadway, N. Y., February, 1874.

I have used in my office during the last two years one of the calculating machines (Arithmometer) of M. THOMAS DE CALMAR, and have found it a great assistance in the multiplication and division of irregular numbers. By means of the Arithmometer, computations can be made more rapidly than by the use of logarithms and with infallible accuracy. In less than thirty seconds a number consisting of eight figures may be set upon the machine and multiplied by eight others, the multiple and multiplier and product being recorded so distinctly that a glance of the eye is sufficient to read them as from a printed book.

SHEPPARD HOMANS,
Consulting Actuary.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 711, March No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of February, 1874, compared with the same period in the years 1869–73.

	FEB.	1874.	1873.	1872.	1871.	1870.	1869.
1	**Sunday**	**Sun.**	13⅛ 13½	**9½** 10	11⅛ 11⅜	21⅛ 21⅜	35⅛ **36⅛**
2	Monday...	**11½** 11⅝	**Sun.**	9½ 9¾	11½ 11⅞	21¼ **21½**	35⅝ 35¾
3	Tuesday ..	11½ 11⅝	13 13¼	9⅝ 9⅞	11⅜ 11¾	20¾ 21⅜	35½ 35¾
4	Wednesday	11½ 11¾	**12⅞** 13½	**Sun.**	11⅜ 11⅞	20⅜ 20¾	35⅛ 35⅝
5	Thursday .	11½ 11⅝	13⅜ 13⅞	10 10¼	**Sun**	20½ 21	35 35¼
6	Friday	11⅜ 11¾	13½ 13⅞	9⅞ 10⅛	11⅞ **12¼**	**Sun.**	35 35¼
7	Saturday ..	11⅝ 11⅞	13¼ 14	9⅞ 10¼	11⅝ 12	20⅝ 21⅛	**Sun.**
8	**Sunday**	**Sun.**	13¾ 14¼	10½ 10¾	11⅝ 11¾	20½ 21	35⅛ 35¼
9	Monday...	11¾ 12⅛	**Sun.**	10¼ 10¾	11⅝ 11¾	20½ 20¾	34⅞ 35¼
10	Tuesday ..	12 12⅜	13⅞ 14¼	10⅜ 10¾	11¾ 11⅞	20⅜ 20¾	34¾ 35⅛
11	Wednesday	12 12⅜	13¾ 14¼	**Sun.**	11½ 11⅞	19¾ 20¼	35 35⅜
12	Thursday .	12⅛ 12⅜	14 14¼	10⅜ 10⅝	**Sun.**	19⅞ 20⅛	35 35⅜
13	Friday	12⅛ 12½	14 14⅜	10⅛ 10⅜	11¼ 11½	**Sun.**	34⅞ 35¼
14	Saturday ..	12⅜ 12⅞	14 14½	10⅛ 10⅜	11 11½	19½ 19⅞	**Sun.**
15	**Sunday**	**Sun.**	14¼ 14⅝	10⅛ 10⅜	**10¾** 11¼	19½ 20	35 35¼
16	Monday...	12½ **13**	**Sun.**	10¼ 10⅜	11⅛ 11⅜	19⅝ 20	35 35⅛
17	Tuesday ..	12½ 12⅞	14½ 14¾	10¼ 10⅜	11 11⅜	19⅜ 19⅝	34⅞ 35¼
18	Wednes* ..	12½ 12¾	14½ 14⅞	**Sun.**	11¼ 11½	19 19⅜	34¼ 34⅞
19	Thursday .	12⅝ 12⅞	14½ 14¾	10⅛ 10½	**Sun.**	18⅞ 19¼	33⅜ 34
20	Friday	12½ 12¾	14⅜ 14⅝	10⅜ 10½	11¼ 11½	**Sun.**	33¼ 33¾
21	Saturday ..	12⅝ 12⅞	14⅜ 14⅝	10⅜ 10¾	11⅜ 11½	18¾ 19⅛	**Sun.**
22	**Sunday**	**Sun.**	Holiday.	Holiday.	Holiday.	Holiday.	Holiday.
23	Monday...	Holiday.	**Sun.**	10¾ **11**	11¼ 11⅜	17¾ 18⅝	32½ 33⅛
24	Tuesday ..	12¾ 13	14¼ 14½	10¾ 11	11¼ 11⅜	16¼ 17⅝	32¼ 32⅞
25	Wednesday	12⅝ 12⅞	14¼ 14¾	**Sun.**	11½ 11⅝	16⅛ 17¼	32⅝ 33
26	Thursday .	12½ 12¾	14⅝ **15**⅛	10½ 10¾	**Sun.**	15¾ 17⅛	31⅞ 32½
27	Friday	12½ 12¾	14½ 14⅞	10⅜ 10⅝	11 11½	**Sun.**	**30⅞** 31⅞
28	Saturday ..	12⅝ 12¾	14½ 14¾	10⅜ 10⅝	10¾ 11⅛	**15** 16⅝	**Sun.**
				9⅞ 10¼			

* Ash Wednesday, 1874. Lent continues from February 18 to April 5th.

MONTHLY PREMIUM ON GOLD AT NEW YORK, 1868–73.

DATE.	1868.	1869.	1870.	1871.	1872.	1873.
January ..	33¼ 42¼	34⅝ 36¾	19⅝ 23¼	10½ 11¼	8⅛ 10⅛	11⅝ 14¼
February ..	39⅝ 44	30⅞ 38⅛	15 21½	10¾ 12¼	9½ 11	12⅞ 15⅛
March ...	37⅞ 41⅜	30¼ 32½	10¼ 16⅜	10⅛ 11⅝	9¾ 10½	14⅝ 18½
April	37¾ 40⅜	31⅜ 34¾	11½ 15⅝	10⅛ 11¾	9⅞ 13¼	16¾ 19½
May	39⅛ 40½	34⅛ 44¾	13¾ 15½	11 12¼	12⅛ 14⅜	16⅝ 18⅝
June	39⅜ 41¼	37 39⅝	10⅞ 14¾	11¾ 13⅛	13 14¾	15 18¼
July	40¼ 45¼	34 37⅞	11⅛ 22¾	11¾ 13⅝	13½ 15¼	15 16⅜
August ...	43½ 50	31¼ 37⅝	14¾ 22	11⅝ 13¼	12½ 15⅝	14⅜ 16¼
September	41⅛ 45⅛	30¾ 62½	12¾ 16¾	12¾ 15⅜	12¾ 15⅛	10⅞ 16⅛
October...	33¾ 40½	28⅛ 31¾	11⅛ 14¼	11½ 15	12¼ 15⅛	7⅝ 11¼
November	32⅛ 37	21⅛ 28⅜	10 13½	10⅜ 12⅜	11⅜ 14¼	6⅛ 10½
December.	34⅜ 36¾	19¼ 24	10¼ 11⅜	8⅜ 10⅜	11⅜ 13½	8⅜ 12⅝

For daily price of gold from January, 1862, to December, 1872, see *Banker's Almanac.*

PROGRESS OF RAILROADS IN THE UNITED STATES.

From the Railroad Gazette, No. 73 Broadway, New York.

We give elsewhere an elaborate statement of the work done in constructing new railroads in 1873, which is, we believe, very nearly exact. The following is a summary of the work done in the year 1873:—

State.	*New Roads in* 1872.	*New Roads in* 1873.	*Per cent. of Increase in* 1873.	*Total at close of* 1873.
Alabama	134	0	0	1,566
Arkansas	156	247½	55	697
California	195	85	7	1,305
Colorado	105	121	25	604
Connecticut	25	29	3⅓	897
Dakota	210	80½	27	291
Delaware	26½	21½	8½	275
Florida	10½	0	0	466
Georgia	46	99	4⅔	2,259
Illinois	686½	253½	4	6,615
Indiana	183	65	1¾	3,714
Indian Territory	149	0	0	279
Iowa	452	93	2½	3,736
Kansas	445	36	1½	2,377
Kentucky	143	54	4¼	1,320
Louisiana	3	0	0	539
Maine	62½	0	0	871
Massachusetts	37	113½	7	1,772
Maryland and D. C.	190	34	3⅓	1,046
Michigan	571	182	6⅓	3,071
Minnesota	307	43½	2¼	1,950
Mississippi	22	7	0⅔	997
Missouri	314	236½	9	2,910
Nebraska	212	0	0	1,051
Nevada	18	18	3	629
New Hampshire	43	48	7½	858
New Jersey	103	40½	3	1,418
New York	435	242	5	5,417
North Carolina	60	15	1¼	1,265
Ohio	456½	131	3⅓	4,239
Oregon	82	10	4	251
Pennsylvania	251	191	3½	5,560
Rhode Island	0	22	16	158
South Carolina	88	88	6⅔	1,378
Tennessee	15	114	7⅓	1,634
Texas	391	485½	45	1,563
Utah	57	85	24	434
Vermont	31	53	7½	763
Virginia	49½	36	2⅓	1,573
Washington	40	40	60	105
West Virginia	76	36	6½	597
Wisconsin	459½	320½	17	2,198
Wyoming	0	0	0	459
Totals and average.	7,340	3,777	5	70,857

This table gives the mileage of road completed in 1872 as well as in 1873, the per centage of increase of the last year, and the total at the close of the year. As authority for the mileage at the close of 1872 we have taken *Poor's Manual*, doubtless the best statement we have.

The contrast between the first and second columns in this table is very striking, and especially in their totals. We built very little more than half as much railroad in 1873 as in 1872, and while the rate of increase for the whole country was 12¼ per cent. in 1872, it was only 5 per cent. last year. It should not be forgotten, however, that this is itself a very large increase. It makes the total completed in the UNITED STATES since 1865 just about 35,800 miles, or more than half of the entire mileage of the country at this date was constructed within the last eight years.

The progress in the different States has been various, of course. Ten of them show a greater mileage than last year, including all the New England States, except MAINE, which is one of the seven States and Territories which have no new mileage, besides the four (ARIZONA, NEW MEXICO, MONTANA, and IDAHO) which never had any.

In the order of the amount of new road constructed in the year, those which have built more than 100 miles rank as follows: TEXAS, WISCONSIN, ILLINOIS, ARKANSAS, NEW YORK, MISSOURI, PENNSYLVANIA, MICHIGAN, OHIO, COLORADO, TENNESSEE, and MASSACHUSETTS. There are 265 miles of new railroad in New England, 595 in the old four "Middle States," 272 in the Southern Atlantic coast States, from MARYLAND to FLORIDA inclusive, only 7 miles in all the Gulf States east of TEXAS, 753 in TEXAS and ARKANSAS (which may be called the West of the South, and almost its only new country), 168 miles in TENNESSEE and KENTUCKY, 995 in the six Western States which touch the great lakes, from OHIO to MINNESOTA, 446 in the States and Territories north of ARKANSAS west of the Mississippi and east of the Rockies (excluding MINNESOTA), 225 in the mountain Territories and States east of CALIFORNIA, and 135 on the Pacific coast.

TEXAS, ARKANSAS and WISCONSIN have made really notable progress during the year, increasing by a very large per centage as well as a large mileage the railroad within their borders.

The decline of railroad construction began with the beginning, not the close of the year. It was, perhaps, the first decided symptom of the financial difficulties which overwhelmed the country in September. An examination of our record will show that an unusually large part of the new work consisted in the *completion* of roads previously begun, and that, comparatively, not many of the new lines will need to be extended before they can be made available, though doubtless many of them require considerable expenditures to put them in anything like good order for traffic. Our rule regarding reporting the construction of a new

road is to give it *when the rails are laid.* When this has been done the road is pretty sure to be worked for traffic.

Our railroads depend almost exclusively upon borrowed money —that is, scarcely any of them can be completed without *some* borrowed money—and investors are likely to be very slow for some time to come to lend money on the security of incomplete lines not yet earning any income. There is, however, a great need of extensive new works on old lines; these are likely to have good credit, and they may to a considerable extent make up for the decline in the building of new railroads.

I. Alabama.

Progress of Railroads in Alabama.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	46	....	1851,	183	....	1863,	805
1843,	46	....	1853,	304	....	1865,	805
1845,	46	....	1855,	334	....	1867,	851
1847,	46	....	1857,	532	....	1869,	1,081
1849,	133	....	1859,	628	....	1872,	1,566
		....	1861,	743	....		

II. Arkansas.

Cairo and Fulton Railroad.—Extended from Little Rock, southwest 126 miles, to Fulton, making the line 285 miles from the Missouri border and connection with the St. Louis & Iron Mountain at Moark, southwest diagonally across the State of Arkansas. There remains about 18 miles of track to lay to complete the road to the Texas border and the Texas & Pacific Railway at Texarkana.

Little Rock and Fort Smith Railroad.—Extended from Lewisburg, northwestward 51½ miles, along the north bank of the Arkansas, to Clarksville, making the line 100½ miles long from Little Rock to Clarksville.

Little Rock, Pine Bluff and New Orleans Railroad.—Extended northwestward 55 miles, to Pine Bluff, completing 74 miles of road, from the Mississippi at Chicot. It has been consolidated under the name of Texas, Mississippi River and Northwestern, with the

Mississippi, Ouachita and Red River Railroad, which has been extended westward 15 miles, to Monticello, which is 36 miles west of the Mississippi River terminus at Chicot. This is a total of 247½ miles, an increase of 55 per cent., which makes the length of railroad in the State 698 miles.

Progress of Railroads in Arkansas.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1861,	38	....	1865,	38	....	1872,	450
1863,	38	....	1867,	38	....	1873,	698
		....	1869,	128	....		

III. California.

Southern Pacific Railroad.—What is properly the main line was extended from Hollister, southward 6 miles, to Tres Pinos on the northern section; on the southern section, which, at present has its outlet over the Visalia Division of the Central Pacific, it was extended from Tipton, southward 20 miles, to Delano; and the *Salinas Branch* (which is near the coast) was extended southward 17 miles, to Soledad.

This company, having obtained control of the *Los Angeles and San Pedro* road by a contract with the county of Los Angeles, which owned a large part of that company's stock, has, in accordance with that contract, built a line 35 miles long, from Los Angeles northwest to San Fernando, which will be a part of the main line from San Francisco to Los Angeles. It has also built a branch from the San Pedro road at Florence, south to Las Nietas, 7 miles. The sum of these extensions is 85 miles, making 1,305 miles of railroad in California, the increase being 7 per cent.

Progress of Railroads in California.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1855,	8	....	1861,	23	....	1869,	702
1857,	23	....	1863,	53	....	1872,	1,220
1859,	23	....	1865,	214	....	1873,	1,305
		....	1867,	382	....		

IV. Colorado.

Arkansas Valley Railroad.—This road, which is worked and virtually owned by the Kansas Pacific, was completed from the junction at Kit Carson, southwest 56 miles, to Las Animas.

Atchison, Topeka and Santa Fe Railroad.—Extended from the western border of Kansas at Sargeant, westward 12 miles, to Grenada, which is 480 miles from Atchison.

Colorado Central Railroad.—A branch of the narrow gauge line (Golden to Black Hawk) has been built from Fork's Creek, 14 miles west of Golden, to Floyd Hill, 4 miles. The *Northern Extension* or branch has been extended 36 miles, from Ralston to Longmont, 41 miles from Golden, making 40 miles of track laid in all.

Denver and Boulder Valley Railroad.—This road has been extended from its former terminus at Erie, Col., westward to Boulder City, 13 miles, making the whole length of the road 28 miles, from the junction with the Denver Pacific at Hughes' to Boulder. It is worked by the Kansas Pacific. This is a total of 121 miles of new railroad, an increase of 25 per cent., making 604 miles of line in the Territory.

Progress of Railroads in Colorado.

Year.	Miles.			Year.	Miles.
1872,	483	....	....	1873,	604

V. Connecticut.

New Haven, Middletown and Willimantic Railroad.—Completed by an extension from Middletown, northeast 29 miles, to Willimantic, Conn., where it meets the southwestern terminus of the New York and New England. The whole road, from New Haven to Willimantic, is 52 miles long.

This increases the mileage of Connecticut by 3⅓ per cent., making it now 897 miles.

Progress of Railroads in Connecticut.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	102	....	1853,	496	....	1863,	630
1843,	176	....	1855,	496	....	1865,	637
1845,	202	....	1857,	590	....	1867,	637
1847,	202	....	1859,	601	....	1869,	692
1849,	289	....	1861,	630	....	1872,	868
1851,	451	....			....	1873,	897

VI. Dakota.

Until 1872 this Territory had not a mile of railroad. In 1872 about 159 miles of the Northern Pacific was laid in it, and 51 miles of the Dakota Southern, and its mileage was 210. The work this year has been as follows:

Dakota Southern Railroad.—The road was completed by an extension of the track from James River, westward 5 miles, to Yankton, making the road 61 miles long, from Sioux City to Yankton, 56 of which is in Dakota.

Northern Pacific Railroad.—The track was laid from the point in Dakota where track-laying terminated last year, west 37 miles, to the Missouri River at Bismarck, 450 miles west of Duluth. The *Pacific Division* is described under Washington Territory.

Winona and St. Peter Railroad.—Of the extension of this road to Lake Kampeska, 38½ miles is in Dakota, from the Minnesota line northwest to Lake Kampeska. The total completed in this Territory in 1873 was thus 80½ miles, making the present mileage of the Territory 290½ miles, the increase for the year having been 39 per cent.

Progress of Railroads in Dakota.

Year.	Miles.			Year.	Miles.
1872,	234	....	....	1873,	290

VII. Delaware.

Delaware and Pennsylvania Railroad.—Completed by an extension, northwest 7½ miles, to the Pennsylvania line and a connection with the Pennsylvania and Delaware road, which continues it to the Pennsylvania Railroad, at Pomeroy, by which it is worked, forming a branch 38 miles long, from Pomeroy southeast to Delaware City.

Smyrna and Delaware Bay Railroad.—Track has been laid on this road, the New Jersey Southern's Delaware line, from Bombay Hook, DEL., westward to Massey's, the junction of the Kent County and Queen Anne's and Kent Roads, a distance of 16 miles. The road is not open for business, and, indeed, can hardly be called completed, as no ballasting has been done, and work is now suspended. About two miles of the road is in MARYLAND. This is 21½ miles of new railroad, increasing the mileage in the State by 8½ per cent. to 275 miles.

Progress of Railroads in Delaware.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	39	....	1853,	39	....	1863,	127
1843,	39	....	1855,	56	....	1865,	134
1845,	39	....	1857,	115	....	1867,	165
1847,	39	....	1859,	127	....	1869,	210
1849,	39	....	1861,	127	....	1872,	254
1851,	39	....			....	1873,	275

VIII. FLORIDA.

Progress of Railroads in Florida.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1847,	38	....	1855,	21	....	1865,	416
1849,	21	....	1857,	128	....	1867,	437
1851,	21	....	1859,	290	....	1869,	446
1853,	21	....	1861,	402	....	1872,	466
		....	1863,	402	....		

IX. GEORGIA.

Southwestern Railroad of Georgia.—The *Blakely Extension* was constructed from Albany, the late terminus, southwestward 36 miles, to Arlington; the *Perry Branch*, from Fort Valley, southeastward 13 miles, to Perry. The Southwestern itself is leased and worked by the Central of Georgia.

Besides this, 50 miles of the track laid on the *Atlanta and Richmond Air Line* are in GEORGIA, making the total of new road in that State 99 miles. This is an increase of 4½ per cent., and makes a total of 2,259 miles of railroad in GEORGIA.

Progress of Railroads in Georgia.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	271	....	1853,	962	....	1863,	1,420
1843,	368	....	1855,	1,020	....	1865,	1,420
1845,	516	....	1857,	1,242	....	1867,	1,548
1847,	609	...	1859,	1,371	....	1869,	1,652
1849,	609	....	1861,	1,420	....	1871,	2,160
1851,	795	....			....	1873,	2,259

X. ILLINOIS.

Cairo and St. Louis Railroad.—This road, of 3-feet gauge, was extended from a point 8 miles south of Waterloo, southeastward 60 miles, to Murphysboro, completing a line, 91 miles long, from

East St. Louis to Murphysboro. Most of the grading is done on the 65 miles remaining from Murphysboro to Cairo.

Chicago and Northwestern Railroad.—This company constructed a line just west of the Chicago city limits, from the Wisconsin Division at Irving Park (6¾ miles northwest of Chicago station), due north 5 miles to the Galena Division, at the point where the new shops have been built.

Chicago and Pacific Railroad.—This road was extended west by north 17 miles, to Elgin, completing the line from Chicago to Elgin, 35 miles. A good deal of grading has been done west of Elgin.

Chicago and Paducah Railroad.—A section was completed from Fairbury, south 54 miles; and late in the year, another, on the southern end of the road, from Windsor, southward 15 miles, making the line 143 miles long, from Streator southward.

Danville, Tuscola and Western Railroad.—Completed from the Paris and Danville, 5 miles south of Danville, west by south 15 miles, to Indianola.

Indiana and Illinois Central Railroad.—The *Illinois Division* was completed by the laying of track from the east line of Douglas County west to Montezuma, IND., 30 miles, and from the west line of Douglas County west to Decatur, 25 miles. The total length of the Division, from Montezuma to Decatur, is 85 miles, of which the east nine are in INDIANA.

Peoria, Atlanta and Decatur Railroad.—Completed from its junction with the Toledo, Peoria and Warsaw a few miles east of Peoria, southeastward 10 miles.

Quincy, Alton and St. Louis Railroad.—The *Hannibal Branch* was constructed from the main line at Fall Creek, southwest 4 miles, to the east end of the Hannibal Bridge, giving the Missouri, Kansas and Texas a connection with Quincy, 17 miles long.

Rockford, Rock Island and St. Louis Railroad.—A line from Orion, north 7½ miles, to Minersville, has been completed, making the road independent of the Peoria and Rock Island for an entrance into Rock Island. This new road was not built by the railroad company, but by a coal-mining company, partly for the use of the railroad.

Springfield and Northwestern Railroad.—Extended from Petersburg, southeast 11 miles, to a point within eight miles of Springfield, making the line 40 miles long, from the Illinois River, at Havana, southeast.

ILLINOIS no longer leads in the construction of new railroads, and, indeed, is behind two other States. Of the ten lines named above, seven are left incomplete, though four of these are so situated as to command some traffic without further extension. None of the lines can be called very important. The State is pretty thoroughly provided with railroads now. The total length of the new line is 253 miles, and the aggregate in the State at the end

of the year 6,615 miles, which is an increase of 4 per cent. within the year.

Progress of Railroads in Illinois.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	22	....	1853,	759	....	1863,	3,156
1843,	22	....	1855,	887	....	1865,	3,157
1845,	22	....	1857,	2,502	....	1867,	3,224
1847,	22	....	1859,	2,781	....	1869,	4,031
1849,	52	....	1861,	2,917	....	1872,	6,361
1851,	271	....			....	1873,	6,615

XI. Indiana.

Chicago, Danville and Vincennes Railroad.—The Fountain County Branch was completed by the laying of three miles of track north-west of the Wabash River, making it 25 miles long, from Bismarck, the junction with the main line, south-east to Snoddy's Mills.

Detroit, Eel River and Illinois Railroad.—Extended from the former eastern terminus at Auburn junction, east by north 12 miles to Butler, on the Lake Shore and Michigan Southern, in connection with which road it will be worked hereafter, instead of the line to Detroit by the Fort Wayne, Jackson and Saginaw, the Detroit, Hillsdale and Indiana, and the Michigan Central. The extension makes the road 93 miles long from Butler to Logansport.

Frankfort and Kokomo Railroad.—Three miles of track have been laid on this road, and 16 miles have been graded, the whole length of the road being 25½ miles, from the Logansport, Crawfordsville and Southwestern at Frankfort, north-east to the crossing of the Indianapolis, Peru and Chicago, and the Chicago line of the Pittsburgh, Cincinnati and St. Louis, at Kokomo.

Lake Erie, Evansville and Southwestern Railroad.—Completed from Evansville, north by east 18 miles, to Booneville, Ind.

Peninsular Railroad.—This road was completed from a point 16 miles west of South Bend, southwestward 29 miles, to Valparaiso, on the Pittsburgh, Fort Wayne and Chicago Railway, which has contracted to give it a Chicago connection, making the line 165 miles long, from Valparaiso, Ind., to Lansing, Mich. It is now known as the Chicago and Lake Huron, having made an agreement to consolidate with the Port Huron and Lake Michigan under that name. The total is 65 miles, an increase of 1¾ per cent. The mileage at the end of the year is 3,714.

Progress of Railroads in Indiana.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1845,	30	....	1855,	1,406	....	1865,	2,217
1847,	42	....	1857,	1,895	....	1867,	2,506
1849,	86	....	1859,	2,014	....	1869,	2,853
1851,	558	....	1861,	2,175	....	1872,	3,649
1853,	1,209	....	1863,	2,175	....	1873,	3,714

XII. Iowa.

Burlington, Cedar Rapids and Minnesota Railroad.—The *Milwaukee Division* was completed by the laying of track from Center Point, north 52 miles, to the Davenport and St. Paul crossing, making this branch 100 miles long from Linn, north, to Postville. The *Pacific Division* was extended from Dysart, west 9 miles, to Traer, making it 25 miles long, from Vinton west. The *Muscatine Division* (late Muscatine Western Railroad) was extended from the Iowa River, west 5 miles, to Riverside. The sum of these extensions is 66 miles.

Davenport and St. Paul Railroad.—Extended from Enfield, northwest 19 miles, to Fayette, making the main line 125 miles long, from Davenport northwestward.

Besides the above, 8 miles of the new line of the *Burlington and Southwestern* is in Iowa, and the sum of the new line is 93 miles. This is an increase of 2½ per cent., making the mileage of the State 3,736 miles.

The two main lines of the Burlington, Cedar Rapids and Minnesota are now completed. There is room for an indefinite extension of the two branches to the west.

Progress of Railroads in Iowa.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1855,	68	....	1861,	701	....	1869,	2,095
1857,	344	....	1863,	792	....	1872,	3,643
1859,	533	....	1865,	891	....	1873,	3,736.
		....	1867,	1,283	....		

XIII. Kansas.

Junction City and Fort Kearney Railroad.—Completed from the Kansas Pacific at Fort Kearney, northwest 33 miles, to Clay Centre. The road is worked by the Kansas Pacific, which owns nearly all the stock and bonds.

Besides this, three miles of the extension of the *Memphis, Carthage and Northwestern* is in Kansas, making the total increase for the year 36 miles, which is 1½ per cent., making the length in the State at the close of the year 2,377 miles.

Progress of Railroads in Kansas.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1865,	40	....	1869,	931	....	1872,	2,341
1867,	494	....			....	1873,	2,377

XIV. Kentucky.

Elizabethtown and Paducah Railroad.—Track has been laid from Cecilia Station, Ky., northward for 14 miles, on the Louisville Extension, which will be 45.7 miles long, from Cecilia Station o Louisville. It is of 5-feet gauge.

In addition to this, 40 miles of the Mississippi Central Extension is in KENTUCKY. The new line is thus 54 miles, an increase of 4⅓ per cent., making the mileage of the State 1,320 miles.

Progress of Railroads in Kentucky.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	28	....	1857,	305	....	1865,	567
1849,	55	....	1859,	534	....	1867,	635
1851,	94	....	1861,	549	....	1869,	852
1853,	167	....	1863,	567	....	1872,	1,266
1855,	242	....			....	1873,	1,320

XV. LOUISIANA.

Progress of Railroads in Louisiana.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	40	....	1851,	80	....	1863,	335
1843,	40	....	1853,	89	....	1865,	335
1845,	40	....	1855,	203	....	1867,	335
1847,	40	....	1857,	261	....	1869,	375
1849,	66	....	1859,	295	....	1872,	539
		....	1861,	335	....		

XVI. MARYLAND.

Baltimore and Ohio Railroad.—The *Metropolitan Branch* was completed in February, by the laying of track on 13 miles which remained incomplete at the close of 1872. This branch is 42 miles long, from Washington, D. C., northwest, to Point of Rocks, MD., and is the western outlet of Washington to the main line of the Baltimore and Ohio.

Western Maryland Railroad.—The *Baltimore Extension* was completed from Owing's Mills, southeast 12 miles, to a junction with the Baltimore and Potomac in the western part of Baltimore, while the road has been extended on the other end from Hagerstown, southwest 7 miles, to the Potomac at Williamsport, making the line 95 miles long. Besides these, two miles of the Smyrna and Delaware Bay Railroad are in MARYLAND, making the total of the new mileage 34 miles, an increase of 3⅓ per cent., the total in the State (including the DISTRICT OF COLUMBIA) being 1,046 miles.

Progress of Railroads in Maryland and Dist. Columbia.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	259	....	1857,	352	....	1867,	527
1851,	274	....	1859,	277	....	1869,	588
1853,	327	....	1861,	386	....	1872,	1,012
1855,	327	....	1863,	408	....	1873,	1,046
		....	1865,	446	....		

XVII. MASSACHUSETTS.

All of the new lines or extensions, with perhaps one exception, make the roads complete. All but the Nashua and Acton are intended almost exclusively for local traffic.

Ashburnham Railroad.—Completed from the Vermont and Massachusetts at Ashburnham, northward 2¾ miles, to Ashburnham Center. It is worked as a branch by the *Vermont and Massachusetts.*

Boston, Barre and Gardner Railroad.—Extended 9 miles on the north end, from Gardner, northwestward, to a junction with the Cheshire, at Winchendon, making the road 32 miles long from Worcester, northwestward.

Eastern Railroad.—The *Marblehead Branch* was completed from the main line at Swampscott, northeast 4 miles, to Marblehead, reducing the distance from Boston to Marblehead to 16 miles.

Lancaster and Hudson Railroad.—Completed from a junction with the Marlboro branch of the Fitchburg Railroad, at Hudson, west by north 9 miles, to a connection with the Worcester and Nashua, at Lancaster.

Middlesex Railroad.—Completed from Lexington, west 6 miles, to Concord. It is worked by the Boston and Lowell as an extension of its Lexington Branch.

Nashua and Acton Railroad.—Completed from the Fitchburg Railroad at West Concord Junction, northward 24 miles, to Nashua, N. H., 19 miles of which is in MASSACHUSETTS.

Old Colony Railroad.—The *Cape Cod Division* was completed by an extension from Wellfleet, northward 15 miles, to Provincetown, which is very near the extremity of the Cape, and 121 miles from Boston, by this road, which describes something like two-thirds of a circle to reach it.

Springfield, Athol and Northeastern Railroad.—This road, hitherto the *Athol and Enfield*, has been completed by an extension from Barrett's, southwest 16¾ miles, to Springfield, making the whole line 47 miles long from Springfield, northeast, to Athol.

Ware River Railroad.—Extended from Gilbertville, northward 33 miles, to a junction with the Cheshire Railroad at Winchendon, making the line 49 miles long, from Palmer to Winchendon. It is to be worked by the Boston and Albany, which connects with it at Palmer, but it has been worked hitherto by the New London Northern.

Worcester and Shrewsbury Railroad.—Completed from Worcester, eastward 3 miles, to Lake Quinsigamond. It is of 3-feet gauge. The total length of these new lines is 117½ miles, increasing the mileage of MASSACHUSETTS by 7 per cent. and making it 1,776 miles.

Progress of Railroads in Massachusetts.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	373	....	1853,	1,105	....	1863,	1,285
1843,	485	....	1855,	1,264	....	1865,	1,297
1845,	567	....	1857,	1,264	....	1867,	1,401
1847,	718	....	1859,	1,264	....	1869,	1,480
1849,	948	....	1861,	1,264	....	1872,	1,658
1851,	1,038	....			....	1873,	1,776

XVIII. Michigan.

Chicago and Canada Southern Railroad.—Completed from Blissfield Crossing, on the Lake Shore and Michigan Southern (southwest from which 25 miles was completed in 1872), northeast 40 miles, to Grosse Isle, opposite the western terminus of the Canada Southern. This makes the road 65 miles long, from Grosse Isle, Mich., southwest to Fayette, O.

Detroit and Bay City Railroad.—This road was completed by an extension of 22 miles from Vassar, northward, to Bay City, which makes the road, from Detroit to Bay City, 110 miles long.

Detroit, Lansing and Lake Michigan Railroad.—The *Ionia and Stanton Branch* (leased from the *Ionia, Stanton and Northern* Company) was extended from Sheridan, north 5½ miles, to Stanton, making the branch 20 miles long, from the junction, three miles west of Ionia, to Stanton.

Grand Rapids and Indiana Railroad.—Extended northward from last year's terminus (which was 16 miles north of Fyfe Lake), 54 miles to a terminus on Little Traverse Bay, to which the name Petosga has been given. This terminus is 194 miles northward from Grand Rapids.

Jackson, Lansing and Saginaw Railroad.—This division of the *Michigan Central* was extended from Otsego Lake, north 8 miles, to Barnes, making the length of the line, from Jackson northward, 236 miles.

Mineral Range Railroad.—Completed from Hancock to Calumet, 12½ miles, in the copper region of the Upper Peninsula. The road is of 3-feet gauge.

Toledo, Canada Southern and Detroit Railroad.—Completed by an extension from last year's terminus, 25 miles northeast of Toledo, northeastward 40 miles, to Detroit, making the line 65 miles long.

The total is 182 miles, an increase of 6⅓ per cent. in the mileage at the close of 1872, making the total length of railroad in the State now 3,071 miles.

The new work completes the Grand Rapids and Indiana, a north-and-south line through the whole length of the lower Peninsula, on its west side, making a large part of it, which is heavily wooded, practically accessible for the first time; also the Detroit and Bay City, which gives a direct outlet to Detroit to the part of the Jackson, Lansing and Saginaw, north of Saginaw Bay—another north-and-south line through the densely-wooded northern part of the Peninsula, nearer to the Lake Huron side. The Chicago and Canada Southern is intended chiefly for through traffic between Chicago and the East. The Toledo, Canada Southern and Detroit serves simply as a feeder of the Canada Southern from Detroit and Toledo, being almost a duplication of the Lake Shore line between those two places.

Progress of Railroads in Michigan.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	138	....	1853,	431	....	1863,	898
1843,	174	....	1855,	474	....	1865,	941
1845,	238	....	1857,	602	....	1867,	1,163
1847,	270	....	1859,	737	....	1869,	1,325
1849,	270	....	1861,	810	....	1872,	2,889
1851,	379	....			....	1873,	3,071

XIX. MINNESOTA.

St. Paul and Pacific Railroad—First Division.—This company has extended the *St. Vincent Extension* from Crookston, northward 28 miles, to a point 92 miles north of the Northern Pacific crossing at Glyndon, and from Glyndon southward, 12 miles, completing a north-and-south line, 104 miles long, in the Red River valley, about 15 miles east of the river.

Winona and St. Peter Railroad.—Extended northwestward, 42 miles, to Lake Kampeska, DAKOTA, 3½ miles of which is in MINNESOTA. The road is now 326½ miles long, from Winona, north by west, across MINNESOTA, to Lake Kampeska. It is wholly owned by the *Chicago and Northwestern.*

These extensions, of 43½ miles, make the total in the State 1,950 miles, an increase of 2¼ per cent. A much larger part of the Winona and St. Peter was practically incomplete at the end of 1872, but the rails were laid (or were so reported by the company).

Progress of Railroads in Minnesota.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1863,	31	....	1867,	482	....	1872,	1,906
1865,	213	....	1869,	795	....	1873,	1,950

XX. MISSISSIPPI.

Natchez, Jackson and Columbus Railroad.—Track has been laid from Natchez, northeastward 7 miles. It is of 3½-feet gauge. This is an increase of about 0⅔ per cent. in the mileage of the State, making it now 997 miles. This road, or part of a road, is the only one of the gauge in the UNITED STATES, we believe.

Progress of Railroads in Mississippi.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	14	....	1851,	75	....	1865,	898
1843,	26	....	1853,	96	....	1867,	898
1845,	42	....	1855,	278	....	1869,	990
1847,	60	....	1857,	483	....	1872,	990
1849,	60	....	1859,	698	....	1873,	997
		....	1861,	862	....		

XXI. Missouri.

Burlington and Southwestern Railroad.—Extended from Cincinnati, Iowa, southward 21 miles, to a point six miles south of Unionville, Mo., 13 miles of which is in Missouri. This completes a line, 130 miles long, from Burlington to Unionville, 34 miles of which, however, is leased from other companies. The company has another section some distance south of Unionville, 17 miles long, which was completed in 1872.

Cairo, Arkansas and Texas Railroad.—Completed from Greenfield's, opposite Cairo, Ill., west by south 69 miles, to a junction with the Arkansas Branch of the St. Louis and Iron Mountain at Poplar Bluffs.

Keokuk and Kansas City Railroad.—Completed from the St. Louis, Kansas City and Northern at Salisbury, southward 16 miles, to the Missouri River at Glasgow.

Memphis, Carthage and Northwestern Railroad.—Extended from Carthage, west 23 miles, to Shawnee, Kan., three miles of which is in Kansas. The whole line is now 49 miles long, from the junction with the Atlantic and Pacific, at Pierce City, northwest and west.

Missouri, Kansas and Texas Railroad.—The main line was extended from Sedalia, northeastward 73 miles, to Moberly, crossing the Missouri at Boonville, on a costly bridge. This section was constructed to give the company's system a Chicago outlet, as, united with the leased Hannibal and Central Missouri line, it connects it with Hannibal, and gives a line worked by the company from Hannibal, southwestward, to Denison, Texas, 576 miles.

St. Louis, Salem and Little Rock Railroad.—Completed from the Atlantic and Pacific Railroad, at Cuba, southward 45½ miles, to Salem. The road was built to carry iron ore.

The new road amounts to 236½ miles, an addition of about 9 per cent., and the total length in the State, at the close of the year, was 2,910 miles. Three of the six lines above are now complete, though one may be extended hereafter.

Progress of Railroads in Missouri.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1853,	38	....	1861,	838	....	1867,	1,085
1855,	139	....	1863,	868	....	1869,	1,712
1857,	318	....	1865,	925	....	1872,	2,673
1859,	724	....			....	1873,	2,910

XXII. Nebraska.

Progress of Railroads in Nebraska.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1865,	122	....	1867,	473	....	1872,	1,051
		....	1869,	473	....		

XXIII. Nevada.

Pioche and Bullionville Railroad.—This road, of 3-feet gauge, was completed between Pioche and Bullionville, which are in Southeastern Nevada, a distance of 18 miles.

This is an increase of 3 per cent. in the mileage of the State, which is now 629 miles. The new road is remarkable as being entirely isolated, the nearest other railroad being more than 100 miles distant. It is a mining road.

Progress of Railroads in Nevada.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1867,	30	....	1869,	401	....	1873,	629
		....	1872,	611	....		

XXIV. New Hampshire.

None of the lines on which progress was made last year were completed, except the Portsmouth and Dover. The others are to be extended hereafter, and two of them (the Portland and Ogdensburg and the Nashua and Rochester) are intended as sections of long and important routes.

Boston, Concord and Montreal Railroad.—The *White Mountains Railroad*, which is leased and worked by the above, has had a branch extended from Bethlehem, southward 5 miles, to Twin Mountains. With its leased line, the Boston, Concord and Montreal now works 155½ miles of road.

Nashua and Rochester Railroad.—The track was laid from the western terminus of the Portland and Rochester, at Rochester, southward 15 miles, to Lee, leaving 18 miles of completed road-bed, southwest to Nashua, on which track is yet to be laid, The road is contracted to be leased to the *Worcester and Nashua* when completed, and is the link needed to complete a route from New York to Portland, with no detour to Boston.

Peterborough Railroad.—Completed from Wilton, northwest 11 miles, to Greenfield. It is substantially an extension of the Wilton Railroad, and, with it, is worked by the Boston and Lowell, which—the two together—extend for 26 miles northwest from Nashua, and 66 miles from Boston.

Portland and Ogdensburg Railroad.—This road was extended from North Conway, northwestward 12 miles, to Upper Bartlett, N. H., through difficult mountain country. This makes the section from Portland, northwestward, 72 miles long.

Portsmouth and Dover Railroad.—Completed from Portsmouth, northwestward 12 miles, to Dover. It is controlled and will doubtless be worked by the Eastern.

Besides these New Hampshire railroads, 5 miles of the 24 of the *Nashua and Acton* are in New Hampshire, making a total of 60 miles of new road laid in the State in the year, which increases its mileage by 7½ per cent., making it 870 miles.

Progress of Railroads in New Hampshire.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	53	....	1853,	644	....	1863,	661
1843,	92	....	1855,	657	....	1865,	667
1845,	92	....	1857,	657	....	1867,	667
1847,	175	....	1859,	661	....	1869,	702
1849,	386	....	1861,	661	....	1872,	810
1851,	537	....			....	1873,	870

XXV. New Jersey.

Camden, Gloucester and Mount Ephraim Railroad.—Completed from Camden, south to Gloucester, 3 miles. It is of 3-feet gauge.

Jersey City and Albany Railroad.—Completed from a junction with the New Jersey Midland, 12 miles from Jersey City, northeastward 12 miles, to the New York State line, near Tappantown.

Mercer and Somerset Railroad.—This road has been completed, by an extension of 18 miles, from Pennington, N. J., northeast, to East Millstone, where it connects with the Millstone and New Brunswick road, but only a portion has yet been opened for traffic. The road is 22¾ miles long, from Somerset Junction, on the Belvidere Delaware, to East Millstone. It will be operated by the Pennsylvania Railroad Company.

New York and Long Branch Railroad.—Track has been laid from Elizabethport, southward about six miles, to Woodbridge Creek. The grading is nearly completed to Perth Amboy, and the bridge over the Raritan at that place is nearly finished. Work has been commenced south of the Raritan. The road is owned by the New Jersey Central.

United New Jersey Railroad and Canal Company.—The *Pennsylvania Railroad Company*, the lessee, has completed a branch in Jersey City to Harsimus Cove, 1½ miles long.

This is a total of 40½ miles, making the total length of New Jersey lines 1,418 miles, an increase of 3 per cent.

Progress of Railroads in New Jersey.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	186	....	1857,	507	....	1865,	864
1849,	206	....	1859,	536	....	1867,	942
1851,	303	....	1861,	587	....	1869,	1,011
1853,	347	....	1863,	756	....	1872,	1,378
1855,	466	....			....	1873,	1,418

XXVI. New York.

The work in New York has consisted chiefly in the construction of short lines and parts of lines. The longest line completed is but 40 miles (Geneva and Ithaca). Seven of the fifteen lines named were completed during the year, and of these the New York and Oswego Midland is a long line and intended for through traffic chiefly. Conspicuous by their absence are three or four companies which promised, a year ago, to have "great through lines" well under way or nearly completed by this time.

Buffalo and Jamestown Railroad.—Extended from the last year's terminus, south by west 20 miles, making the road 26 miles long, from the junction with the Buffalo, New York and Philadelphia road, three miles south of Buffalo.

Carthage, Watertown and Sackett's Harbor Railroad.—This road has been completed by an extension of 11 miles from Watertown, N. Y., a little south of west, to Sackett's Harbor. The older portion of the road, from Carthage to Watertown, 18 miles, was built in 1871. The road is wórked by the Utica and Black River Co.

Central Railroad Extension.—Completed from the terminus of the Central Railroad of Long Island, east by south 10 miles, to Babylon.

Geneva and Ithaca Railroad.—Completed from Geneva, southeastward 40 miles, to Ithaca.

Harlem River and Portchester Railroad.—Completed from the Harlem River, opposite the north end of Manhattan Island, northeastward 12¼ miles, to a junction with the New York, New Haven and Hartford, at New Rochelle. The road is leased and worked by the New York, New Haven and Hartford.

Lake Ontario Shore Railroad.—Extended from a point 9 miles west of Sodus, west 2 miles, to Ontario, making the road 51.52 miles long, from Oswego westward.

Long Island Railroad.—The *Flushing Branch* was completed from Newtown, northeastward 4 miles, to Flushing.

New York and Oswego Midland Railroad.—Completed by the construction of 18 miles of road in Delaware County, NEW YORK, making the road 260 miles long, from Oswego, south by east, to the New Jersey line at Unionville, whence the 73 miles of the New Jersey Midland extends it to Jersey City.

New York, Boston and Montreal Railroad.—Track was laid for three miles south of Lake Mahopac, making that section of the road (north and west to Brewster's) 10 miles long; and from the southern terminus at Kingsbridge, on Harlem River, north, about 8 miles; in all 11 miles. Some miles of grading are done both north and south of Lake Mahopac.

Rhinebeck and Connecticut Railroad.—Track has been laid from Rhinebeck, N. Y., northeast, to Mount Ross, 25 miles. The grading is completed to Boston Corners, 36 miles from Rhinebeck, where connection is made with the Poughkeepsie and Eastern, and through that road with the Connecticut Western. The road is built mainly to carry coal from the Delaware and Hudson Canal, whose Hudson River outlet is at Rondout, opposite Rhinebeck, eastward.

Rochester and Pine Creek Railroad.—Track has been laid on a section seven miles long, from Perry, N. Y., southwest, to Gainesville, on the Buffalo Division of the Erie Railway, and that section has been opened for traffic.

Rochester and State Line Railroad.—The track on this road is laid from Rochester, N. Y., southwest 25 miles, to Leroy, and that section is nearly ready to be opened for business. The grading and bridging of the road is substantially completed to Salamanca, the junction of the Erie and Atlantic and Great Western roads, which is to be its southwestern terminus.

Syracuse and Chenango Valley Railroad.—Extended, in January, from Erieville, southeastward 14 miles, to Earlville, making the line 41 miles long, from Syracuse to Earlville.

Utica and Black River Railroad.—The *Carthage, Theresa and Clayton Division*, which is 34 miles long, running from Carthage, N. Y., northward 13 miles, to Philadelphia, and thence west by north, to Clayton, on the St. Lawrence, has been completed by the construction of 31 miles of road, three miles having been completed near the close of 1872.

Utica, Ithaca and Elmira Railroad.—The *Southern Division* was completed from Horse Heads, on the Northern Central, eastward 20 miles, to Van Ettenville, on the Ithaca and Athens, by the construction of 12 miles of new road. The other eight miles was not reported last year. The other part of the road is considerably further north, from Ithaca, northeast, to Cortland. The total length of the new construction is 242 miles, adding nearly 5 per cent. to the mileage of the State, and making it 5,167 miles.

Progress of Railroads in New York.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	538	....	1853,	2,387	....	1863,	2,792
1843,	648	....	1855,	2,583	....	1865,	3,002
1845,	721	....	1857,	2,661	....	1867,	3,245
1847,	764	....	1859,	2,679	....	1869,	3,658
1849,	1,180	....	1861,	2,700	....	1872,	4,925
1851,	1,623	....			....	1873,	5,167

XXVII. North Carolina.

Northwestern North Carolina Railroad.—Extended west 15 miles, making it 29 miles long, from Greensboro west to Salem. The Richmond and Danville, with which it connects at Greensboro, works it as a branch.

This increases the mileage of the State by 1 1-5 per cent. making it 1,265 miles.

Progress of Railroads in North Carolina.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	87	....	1853,	420	....	1863,	984
1843,	87	....	1855,	582	....	1865,	984
1845,	87	....	1857,	733	....	1867,	1,042
1847,	87	....	1859,	937	....	1869,	1,130
1849,	154	....	1861,	937	....	1872,	1,250
1851,	283	....			....	1873,	1,265

XXVIII. Ohio.

Baltimore, Pittsburgh and Chicago Railroad.—Completed from the Lake Erie Division of the Baltimore and Ohio at Centerton, west by north 60 miles, to the Dayton and Michigan at Deshler. This is the Baltimore and Ohio's Chicago line.

Cleveland, Mount Vernon and Columbus Railroad.—Completed by an extension from Centerburg, southwestward 31 miles, to Columbus, making the line 145 miles long, from Hudson to Columbus.

Mahoning Coal Railroad.—Completed from a junction with the Ashtabula and Jamestown Branch of the Lake Shore and Michigan Southern at Andover, southward 36 miles, to Youngstown, all but the six miles next Youngstown in 1873.

Marietta, Pittsburgh and Cleveland Railroad.—Completed by an extension from Cambridge, northward 39 miles, to Canal Dover, making the whole line 97 miles long from Marietta northward. The road until recently was called the *Marietta and Pittsburgh.*

Painesville and Youngstown Railroad.—Extended from Chardon, southward 10 miles, to Burton, making it 22 miles long, from Painesville southward. It is of three feet gauge.

The total is 131 miles, which is an increase of 3¼ per cent. and makes the mileage of the State 4,239 miles. The Baltimore, Pittsburgh and Chicago is the beginning of a long line which is to give the Baltimore and Ohio an independent route into Chicago. The three next named are now completed, and have good connections. The last named is built largely as a coal railroad and must be extended considerably before it can be very useful, but the road-bed is nearly or quite ready all the way to Youngstown.

Progress of Railroads in Ohio.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	36	....	1853,	1,200	....	1863,	3,311
1843,	84	....	1855,	1,486	....	1865,	3,331
1845,	84	....	1857,	1,895	....	1867,	3,398
1847,	274	....	1859,	2,812	....	1869,	3,448
1849,	319	....	1861,	2,947	....	1872,	4,108
1851,	588	....			....	1873,	4,239

XXIX. Oregon.

Walla Walla and Columbia River Railroad.—Completed from Walla Walla, west 10 miles.

This road is built to carry lumber to the Columbia River. It makes an increase of 4 per cent. in the mileage of the State, which is now 251 miles.

Progress of Railroads in Oregon.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1863,	19	....	1867,	19	...	1872,	241
1865,	19	....	1869,	61	....	1873,	251

XXX. Pennsylvania.

Alleghany Valley Railroad—Eastern Extension.—This line, which is to form the Pennsylvania's "low grade" line over the Alleghanies, was extended from the last year's terminus, eastward 49 miles, to Summit Tunnel, 65 miles from the junction with the Alleghany Valley, and from the eastern terminus at Driftwood, on the Philadelphia and Erie, westward 20 miles, to Benezet; in all 69 miles. There remains about 20 miles to unite these sections and complete the road.

Corning, Cowanesque and Antrim Railroad.—The *Cowanesque Branch* was completed from the main line at Lawrenceville, westward 12 miles, to Elkland.

Cumberland Valley Railroad.—The *Dillsburg Branch* was completed from the junction 9 miles southwest of Harrisburg, south 8 miles, to Dillsburg.

Dunning's Creek Railroad.—Completed from Bedford, northward 11 miles, to Holderbaum's. It is worked as a branch of the Bedford Division of the Pennsylvania Railroad, with which it connects at Bedford.

Montrose Railroad.—Extended north 3 miles to within two miles of the intended terminus at Montrose, making it 25 miles long, from Tunkhannock northward. It is of three feet gauge.

Peachbottom Railroad.—On this narrow gauge (three feet) line track has been laid from Oxford, Pa., westward, to the Octorara Creek, 4 miles. The larger part of the grading to the Susquehanna River, 20 miles from Oxford, is done.

Pennsylvania Railroad.—The *Williamsburg Branch* was completed from the junction with the Hollidaysburg and Morrison Cove Branch one mile south of Hollidaysburg, east 13 miles, to Williamsburg, which is 22 miles from Altoona.

Pennsylvania and Delaware Railroad.—Extended from Avondale, south 7 miles, to Delaware line, where it meets the Delaware and Pennsylvania, which continues it southeast to Delaware City, making a line 38 miles long from the Pennsylvania Railroad at Pomeroy, southeast, to Delaware City. It is leased and worked by the Pennsylvania.

Perkiomen Railroad.—This railroad, which is leased and worked by the Philadelphia and Reading, was extended from Green Lane, northward 5 miles, to Pennsburg, making the road 23 miles long, from the junction with the Reading, 25 miles from Philadelphia, northward, to Pennsburg.

Pittsburgh, Virginia and Charleston Railroad.—Extended southward up the Monongahela River, 16 miles, to Monongahela City, making the line 32 miles long from Pittsburgh.

Southwest Pennsylvania Railroad.—Completed from its junction with the Pennsylvania Railroad at East Greensburg, 31 miles east of Pittsburgh, southward 24 miles, to a connection with the Pitts-

burgh, Washington and Baltimore, at Connellsville. The road is worked by the Pennsylvania Railroad.

Stony Creek Railroad.—Completed from the North Pennsylvania at Lansdale, south 10 miles, to Norristown.

Wilmington and Reading Railroad.—Extended from the late terminus at Birdsboro, westward 9 miles, to Reading, making the line 64 miles long, from Wilmington to Reading.

This is a total of 191 miles of road on thirteen different lines. This is an increase of 3½ per cent. in the mileage of PENNSYLVANIA, making it 5,560 miles. Most of the new roads are local lines. The most important, doubtless, is the Eastern Extension of the Alleghany Valley, over which the immense freight of the Pennsylvania's lines is to pass over the mountains by a route somewhat longer, but very much easier, than the present one. Six of the thirteen new lines are in the interest of the Pennsylvania.

Progress of Railroads in Pennsylvania.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	754	....	1853,	1,404	....	1863,	3,771
1843,	789	....	1855,	1,800	....	1865,	3,728
1845,	798	....	1857,	2,081	....	1867,	4,311
1847,	1,006	....	1859,	2,442	....	1869,	4,598
1849,	1,120	....	1861,	2,802	....	1872,	5,369
1851,	1,297	....			....	1873,	5,560

XXXI. RHODE ISLAND.

Providence and Springfield Railroad.—Track was laid from Providence, northwest 22 miles, to Pascoag.

This is an increase of 16 per cent. in the mileage of RHODE ISLAND, which is now 158 miles.

Progress of Railroads in Rhode Island.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	50	....	1853,	68	....	1863,	125
1843,	50	....	1855,	108	....	1865,	125
1845,	50	....	1857,	108	....	1867,	125
1847,	68	...	1859,	108	....	1869,	125
1849,	68	....	1861,	108	....	1872,	136
1851,	68	....			....	1873,	158

XXXII. SOUTH CAROLINA.

Atlanta and Richmond Air Line Railroad.—This road was completed from Charlotte, N. C., west by south 266 miles, to Atlanta, GA., by the filling of the following gaps left last year: From the Cherokee River, S. C., west 17 miles, to a point six miles east of Spartanburg; from a point nine miles west of Spartanburg, west 23 miles, to Greenville, S. C.; and from the Saluda River, S. C., westward 74 miles, of which last section about 24 miles is in SOUTH CAROLINA. The whole new mileage is 114 miles.

Port Royal Railroad.—From Penn Branch, northwestward 24 miles, to the Savannah River, the track was laid in 1873, completing the line, which is 111 miles long, from Port Royal, northwest, to Augusta, GA.

This is a total of 88 miles of new railroad, making the aggregate in the State 1,378 miles, an increase of 7 per cent.

Progress of Railroads in South Carolina.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1841,	204	....	1853,	652	....	1863,	973
1843,	204	....	1855,	759	....	1865,	1,007
1845,	204	....	1857,	879	....	1867,	1,007
1847,	204	....	1859,	973	....	1869,	1,101
1849,	263	....	1861,	973	....	1872,	1,290
1851,	378	....			....	1873,	1,378

XXXIII. TENNESSEE.

Memphis and Raleigh Railroad.—This road, of three feet gauge, was completed from Memphis, northeastward 10 miles, to Raleigh.

Mississippi Central Extension Railroad.—Completed from Jackson, TENN., the northern terminus of the Mississippi Central, northward 103 miles, to the Ohio River, opposite Cairo. The road was built under the auspices and by the aid of the New Orleans, Jackson and Great Northern, the Mississippi Central and the Illinois Central, and with them, forms a complete line from Chicago, south to New Orleans, a distance of 909 miles. Of this line 63 miles is in TENNESSEE.

Paducah and Memphis Railroad.—From the southern terminus at Memphis, this road was completed northeastward, 37 miles, to Covington, TENN., and the old line was extended from Obion, southward 4 miles, to Trimble, which is 78 miles southwest of Paducah.

This is a total of 114 miles of new railroad, an increase of 7½ per cent., making the total length of railroad in TENNESSEE 1,634 miles.

Progress of Railroads in Tennessee.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1851,	112	....	1859,	963	....	1867,	1,358
1853,	291	....	1861,	1,253	....	1869,	1,451
1855,	466	....	1863,	1,253	....	1872,	1,520
1857,	770	....	1865,	1,296	....	1873,	1,634

XXXIV. TEXAS.

The railroads in this State are of dimensions somewhat proportional to those of the State, and all the lines named below are important ones. The one completed (Houston and Texas Central) gave the State its first and only connection with any railroad outside of the State, though it will soon have a second by the extension of the Cairo and Fulton to a connection with the Jefferson and Transcontinental divisions of the Texas and Pacific at Texar-

kana. The Texas and Pacific has laid more track than any other company in the UNITED STATES in the year, and this State has a larger new mileage than any other.

Galveston, Harrisburg and San Antonio Railroad.—On the extension from the old terminus at Columbus, TEXAS, to San Antonio, 25 miles of track has been laid, and the road opened for business to Schulenberg, 24 miles from Columbus, and 108 miles from Harrisburg, the eastern terminus.

Houston and Texas Central Railroad.—This railroad was completed early in the year, by an extension from Van Alstyne, northward 29 miles, to Red River City, making the line of the road 341 miles long, from Houston, north, to the Red River.

International and Great Northern Railroad.—The *International Railroad* (now called the International Division) was extended from Overton, northeast 25 miles, to a connection with the Texas and Pacific at Longview, early in the year, and at the close of the year from the southwest terminus on the Brazos River, southwest 15 miles. The Tyler Branch of this Division was extended from Troupe (38 miles southwest of Longview), north by west 44 miles, to a connection with the Texas and Pacific at Mineola. This is a total of 84 miles constructed by this corporation.

Texas and Pacific Railroad.—The main line was completed from the old terminus at Longview, west 122½ miles, to a junction with the Houston and Texas Central at Dallas. The Jefferson Division was completed from Marshall, north by east 75 miles, through Jefferson to the ARKANSAS border at Texarkana. The Transcontinental Division was completed from a junction with the Houston and Texas Central at Sherman, east 50 miles, to a point seven miles, east of Honey Grove.

This is a total of 485½ miles of new railroad, an increase of 45 per cent., making the total in the State 1,563 miles.

Progress of Railroads in Texas.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1855,	40	....	1861,	392	....	1869,	583
1857,	157	....	1863,	451	....	1872,	1,078
1859,	284	....	1865,	465	....	1873,	1,563
		....	1867,	513	....		

XXXV. UTAH.

Brigham Canon Railroad.—This three-feet gauge road has been completed and opened for business from the junction with the Utah Southern, at Sandy, UTAH, westward 16 miles, to the Winamuck Smelting Works. It is built to carry ore from and supplies to a mining district.

Summit County Railroad.—Completed from the Union Pacific at Echo, southeast 6 miles, to Coalville.

Utah Northern Railroad.—This three-feet gauge road was ex-

tended from Hampton, northward 21 miles, to Hyde Park, and track is laid from Ogden, northward 11 miles, on an extension from Brigham to Ogden, 25 miles long.

Utah Southern Railroad.—Extended from Lehi, southward 19 miles, to Provo, making the line 50 miles long, from Salt Lake City to Provo.

Wasatch and Jordan Valley Railroad.—Constructed from the Utah Southern, at Sandy, to Jordan Flat, 12 miles. It is of three-feet gauge.

This is a total of 85 miles of new railroad, an increase of 24 per cent., bringing the aggregate in the Territory up to 434 miles. Of the new line 60 miles is of three-feet gauge, of which the Territory now has 103 miles. All these, but the Utah Northern, are almost purely mining roads.

Progress of Railroads in Utah.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1869,	257	....	1872,	349	....	1873,	434

XXXVI. Vermont.

Two lines were completed in this State, and the third, which is intended as a section of a great line from the St. Lawrence to Portland, had more work done on it than would appear from the small amount of track laid.

Montpelier and Wells River Railroad.—The road has been completed from Montpelier, eastward 38 miles, to Wells River, 35 miles of it in 1873.

Missisquoi and Clyde River Railroad.—The road has been completed from Richford, eastward, to Newport, by an extension for 10 miles. It is now worked in connection with the Southeastern Counties Railroad of Canada, and with it gives the Passumpsic Railroad a connection with Montreal.

Portland and Ogdensburg Railroad.—The *Vermont Division* was extended, in January, from Morrisville, northwestward 4 miles, to Hyde Park, completing a line 60 miles long, from West Concord (7 miles east of St. Johnsbury) to Hyde Park. Also, 4 miles of track was laid from Swanton, near the northwest corner of the State, eastward.

The 53 miles completed in the year makes the total length of line in the State 763 miles, being an increase of 7½ per cent.

Progress of Railroads in Vermont.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1849,	214	....	1855,	529	....	1869,	614
1851,	413	....	1859,	546	....	1872,	710
1853,	506	....	1861,	562	....	1873,	763
		....	1863,	587	....		

XXXVII. Virginia.

Washington City, Virginia Midland and Great Southern Railroad.—At the close of the year the track on the *Danville Extension* had been laid from Lynchburg, Va., southward for 36 miles, to a point 10 miles beyond the Staunton River. Much of the grading on the remaining 30 miles of the road is completed.

This adds 2½ per cent. to the mileage of the State, making it 1,573 miles.

Progress of Railroads in Virginia.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	223	....	1851,	520	....	1865,	1,401
1843,	223	....	1853,	752	....	1867,	1,464
1845,	223	....	1855,	912	....	1869,	1,483
1847,	303	....	1857,	1,137	....	1872,	1,537
1849,	303	....	1859,	1,301	....	1873,	1,573
		....	1861,	1,379	....		

XXXVIII. West Virginia.

Chesapeake and Ohio Railroad.—The main line was completed about the end of January by the laying of 22 miles of track. A branch, 2.3 miles long, to new iron works at Low Moor, was also completed.

Martinsburg and Potomac Railroad.—Completed from the Potomac River at Powell's Bend, southeast 12 miles, to Martinsburg. It forms virtually an extension of the Cumberland Valley, which works it, and is the first section of the Pennsylvania's proposed line up the Shenandoah Valley.

This total of 36 miles is an increase of 6½ per cent., making the total length of road in West Virginia 597 miles. The completion of the Chesapeake and Ohio is likely to be an era in the history of the State, as it opens for development a coal and iron district hardly excelled in the world in quality or extent.

Progress of Railroads in West Virginia.

Year.	Miles.		Year.	Miles.		Year.	Miles.
1841,	61	....	1851,	159	....	1861,	361
1843,	97	....	1853,	241	....	1867,	365
1845,	97	....	1855,	241	....	1869,	387
1847,	97	....	1857,	352	....	1872,	561
1849,	97	....	1859,	352	....	1873,	597

XXXIX. Washington.

Northern Pacific Railroad.—The *Pacific Division* was completed by an extension from Tenino, northward 40 miles, to the Puget Sound terminus at Tacoma, making a line 105 miles long, from the Columbia River at Kalama, north, to Tacoma. This is an increase of 60 per cent., this being the only road in the Territory.

Progress of Railroads in Washington Territory.

Year.	Miles.			Year.	Miles.
1872,	65	....	....	1873,	105

XL. Wisconsin.

Chicago and Northwestern Railroad.—The *Madison Extension*, now worked in connection with the La Crosse, Trempealeau and Prescott, and the Winona and St. Peter, as the *Minnesota Division*, was completed by an extension from a point four miles west of Sparta, westward (through three heavy tunnels), to a point three miles east of Sparta, 27 miles, completing the extension from Madison to Winona Junction, 131 miles, and completing a route owned by this company from Chicago, northwestward 625½ miles, to Lake Kampeska, Dakota.

Green Bay and Minnesota Railroad.—Extended from last year's terminus at Merrillan, where it crosses the West Wisconsin Railway, southwest 60 miles, to a junction with the Minnesota Division of the Chicago and Northwestern, five miles east of Winona, Minn. The whole road is 210 miles long, from Green Bay, west 150 miles, to Merrillan and thence, southwest, to the western terminus. The name last year was *Green Bay and Lake Pepin.*

Milwaukee and Northern Railroad.—Extended from Hilbert, the junction of the Menasha Branch, northward 27 miles, to Green Bay, completing a line 110 miles long from Milwaukee to Green Bay, while the Menasha Branch (constructed last year) is 16 miles long. The road was leased to the Wisconsin Central near the close of the year, and gives that line a connection with Milwaukee.

Milwaukee, Lake Shore and Western Railroad.—Completed by the filling of the gap from Sheboygan, westward 25 miles, along the west shore of Lake Michigan to Manitowoc, making the line 120 miles long, from Milwaukee, northward 77 miles, to Manitowoc and thence, westward, to Appleton. The Lake Shore line was also extended from Manitowoc, north 7 miles, to Two Rivers.

Northwestern Union Railroad. — Completed from Milwaukee, northwest 63 miles, to Fond du Lac, all but 8½ miles in 1873. The road is worked by the Chicago and Northwestern.

Wisconsin Central Railroad.—Extended from Colby, northward 50 miles, to Worcester, making the lower section 164 miles long, from Menasha, west and north. On the Lake Superior end it was extended southward, 23 miles, to Penokee, 30 miles south of Ashland.

Wisconsin Valley Railroad.—Completed from a junction with the Milwaukee and St. Paul's La Crosse Division at Tomah, northeast 47 miles, to a junction with the Green Bay and Minnesota Railroad at Centralia. The track of the whole road was laid in 1873.

The amount of new construction in Wisconsin is very large, and exceeded in only one other State. Six considerable lines are completed, one of which completes a new route between Chicago and Minnesota, while another crosses the State from east to west, near the northern border of the settled agricultural districts and

almost wholly within the lumber districts. Only the Wisconsin Central remains to be completed, and a short section will complete that.

The new line is 320½ miles long, adds 17 per cent. to the mileage of WISCONSIN, and makes it 2,198 miles.

Progress of Railroads in Wisconsin.

Year.	*Miles.*		*Year.*	*Miles.*		*Year.*	*Miles.*
1851,	50	....	1859,	826	....	1867,	1,036
1853,	71	....	1861,	933	....	1869,	1,512
1855,	187	....	1863,	990	....	1872,	1,878
1857,	630	....	1865,	1,010	....	1873,	2,198

XLI. WYOMING TERRITORY.

Progress of Railroads in Wyoming Territory.

1867,	82	....	1869,	447	....	1872,	459

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. Capital paid in. II. Returns of the Census. III. Rates of Interest in the States. IV. Surplus Funds of the Banks. V. Capital of Private Bankers. VI. Identification of Check-holder. VII. Delay in Presentation of Bill or Check.

I. CAPITAL PAID IN.

FIRST NATIONAL BANK, COLORADO, Nov. 24, 1873.

To the Editors of the Banker's Magazine.

The capital and surplus of this bank is $110,000. Do you never publish anything but the paid-in capital? If you do, I would like to have ours what it actually is.

——— Cashier.

Reply.

It is proposed to publish in the *Banker's Almanac* the capital paid in for each bank named. Our printed prospectus is to this effect. If you know of any that are not correctly reported, we will be glad to have information of the error, whereby the list may be corrected. The subscribed capital has but little weight with the community where the bank is established.

II. Returns of the Census.

First National Bank, ——, Iowa, Nov. 22, 1873.

To the Editors of the Banker's Magazine.

Having received your circular-letter, I have only one correction to add; that is, the population of this town should be 1,800 instead of 1,200, as you have it for 1870.

—— Cashier.

Reply.

We note your remark as to population; and, upon reference to the official census returns, *we find we are correct in our statement* as to 1,200 for your place in 1870. We, of course, can publish the population returns of 1870 only; and, if the census is wrong, the superintendent should be notified. We cannot undertake to publish the amended returns showing the increase or changes between the years 1870 and 1873.

III. Rates of Interest.

First National Bank, Illinois, Nov., 1873.

To the Editors of the Banker's Magazine.

Could you not, with very little trouble, give in your *Almanac* the legal rate of interest in each State?

—— Cashier.

Reply.

We have anticipated your wishes as to Interest Tables for the *Almanac*. This matter is contained in the new volume for 1874. We shall always be glad to receive suggestions for the volume from practical bankers. A copious article on the subject of Interest and Usury in the several States will appear in this magazine in May or June, for which we solicit copies of any new laws on the subject adopted by one or more States. Recent legislation requires of us a comprehensive and general view of the subject.

IV. Surplus Funds of Banks.

—— Bank, Albany, Nov. 19, 1873.

To the Editors of the Banker's Magazine.

We notice that you publish the "surplus" of the New York City banks alone. Why not do so with all? It would aid banks and business men generally in knowing where "strength" was aside from capital.

—— Cashier.

Reply.

In reply to your note, we suggest that there is not space enough in the *Almanac* page for a column of "profits" for each bank. *Secondly*, the Comptroller's report at Washington shows the profits *of each bank* (erroneously put under two heads, when one would be better), to which all banks have access. We beg your examination of the plan and contents of the *Almanac*, and shall be glad to avail ourselves of any further suggestions from those who use daily the work. The book is prepared for the banking fraternity throughout the UNITED STATES, and we wish to make it as valuable as possible to those who purchase it.

V. CAPITAL OF PRIVATE BANKERS.

FIRST NATIONAL BANK, IOWA, Nov. 25, 1873.

To the Editors of the Banker's Magazine.

Permit me to suggest that it would be a valuable addition to your work if you could give the amount of *capital* in the business of each private bank. It would be an advantage to the strong, and an inducement to the weak to become strong. If parties refuse to state the amount for publication, leave blank space, indicating "information wanted."

——— Cashier.

Reply.

We gladly receive suggestions from practical men as to the *Almanac*. The suggestion from you, as to adding the amount of capital to the name of each banking firm in the *Banker's Almanac*, could not (we fear) be carried out; mainly for the reason that nine-tenths of the bankers would not furnish the information, either for the public or for us. In fact they almost unanimously desire that nothing of the sort be made public.

The information, in a more reliable form, is contained in the *Reference Book* of DUN, BARLOW & CO., and MCKILLOP, SPRAGUE & CO., New York. Most bankers would resent the application by us for a statement of capital used by them.

VI. IDENTIFICATION OF CHECK-HOLDERS.

——— NATIONAL BANK, MASSACHUSETTS, Dec. 5, 1873.

To the Editors of the Banker's Magazine.

Is there any law requiring a party to identify him or herself upon presentation of a check or draft to the drawee? Check or draft payable to the order of ———?

Reply.

We know of no statute requiring one having a check to identify himself to the drawee; but there is a "law of self-preservation," which makes an identification necessary for the banker. Custom universally demands this; otherwise a banker would never be safe in paying a check to a stranger. Numerous frauds have occurred owing to the neglect of this rule by parties on whom checks were drawn.

EDITOR B. M.

VII. DELAY IN PRESENTATION.

FIRST NATIONAL BANK, TEXAS, Nov. 11, 1873.

To the Editors of the Banker's Magazine.

A solvent bank in St. Louis issues a draft on a New York bank for $1,000 in July last; the draft, instead of being presented immediately, goes out on the frontier, and is not presented until four months later. Since the draft was issued the panic caused the New York bank to fail. Ought there be any trouble in collecting the amount of draft from the St. Louis bank? The New York bank, at the present time, having only paid a dividend of ten per cent. to depositors and creditors.

Reply.

In reply to your enquiry of November 11, we say that the law requires that all checks and bills of exchange, payable at sight, be presented within a reasonable time. What that reasonable time is will depend upon the circumstances of each case. In the instance referred to, a delay of four months in presentation, we conceive that the drawer of the check is released from liability. This subject is an important one, and is fully treated in our *Manual for Notaries Public and Bankers*, pages 94 to 112.

VIII. DUE DILIGENCE.

ST. JOHN, N. B., Dec. 8, 1873.

To the Editor of the Banker's Magazine.

SIR.—Referring to your answer to question No. 2, of the correspondence in your number for December, in which you say, "If, instead of forwarding it *directly* the same day or the next, he (*i. e.*, the purchaser), sends the draft to some remote point, it is at his own risk." Are the American laws different from the English on this point? I send you an extract from a ruling by BULLER, J., in the English courts, and should like you to explain the discrepancy between your ideas and his.*

* Extract referred to: "Due diligence is the only thing to be looked to, whether the bill be foreign or inland; and whether it be payable at sight or at so many days after, or in any other manner. But I think the rule may be thus far laid down as to laches with regard to bills payable at sight, or a certain time after sight, that they *ought to be put into circulation*, and if a bill, drawn at three days' sight, were kept out in that way for a year, I cannot say that there would be laches."

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 744, March No.)

STOCKS.	DEC., 1873. Lowest.	DEC., 1873. Highest.	JAN., 1874. Lowest.	JAN., 1874. Highest.	FEB., 1874. Lowest.	FEB., 1874. Highest.
U.S. Six per cts. of 1881, Coupon Bds.	115⅞	121	117	118⅜	118⅜	121
" Five-Twenty of 1862, "	111	116	113	114⅞	115⅝	118¼
" " 1864, "	111½	117¼	114	116¾	116⅝	120½
" " 1865, "	111⅛	117¼	115	118	118	121¼
" " 1865, New, "	114¼	119¾	114½	116¾	116¾	119⅝
" " 1867, "	115¼	120	115	118	117⅝	120½
" " 1868, "	116½	118¾	116	118	117⅝	120⅜
" Ten-Forty Coupon Bonds.....	108½	113½	113	114¼	114	116⅜
" Five per cent. of 1881........	109¼	113¼	111	113¾	111¾	114¾
" Six per cent. Currency.........	108½	114⅜	114	115¼	115¼	116⅞
Tenn. Six per cent. Bonds, Old.....	73	81½	63	81½	..	..
" " " New.....	73¼	81	62	81	..	..
Virginia Six per cent. Bonds, Old...	..	..	40	42	..	..
" " " New.....	..	..	..	..	..	..
" " " Consol...	49¼	50⅝	50	53¼	..	..
N. Carolina Six per ct. Bonds......	24	26	28	29½	..	..
" " New	15	15	16	28	..	..
" " Special Tax	..	..	6½	13	..	..
S. C. Six per ct. Bds. Jan. & July ..	7	11½	9	11	..	..
" " April & Oct...	..	..	..	..	..	..
Missouri Six per cent. Bonds........	89	94	90½	94	..	..
Canton Company of Maryland.......	60	70	73½	79	72½	82¼
Delaware and Hudson Canal Co....	109½	116	113	121	115	119½
Consolidated Coal Co. of Maryland..	47	50¾	44	51	45½	49⅞
Quicksilver Mining Co	20½	29½	28	30½	30	35½
" " Preferred	33	34	33	35	35¾	40½
Mariposa Mining Company.........	..	..	..	..	..	..
" " Preferred	..	..	..	..	8¼	10
Western Union Telegraph Co	66⅛	75	73	80	72¾	77⅞
Pacific Mail Steamship Company....	31⅞	42	38½	44⅝	41⅛	44
Adams Express Co.................	85	92½	92½	96	94	99
Wells, Fargo & Co. Express Co. ...	65	75½	69	71¾	74	78¼
American Merchants' Union Express	55	62	58½	62¼	63½	65¼
United States Express..............	62	70	68	72	70	73
N. Y. Cent. and Hudson River R. R.	90¾	100	99¼	104½	103	105⅛
Erie Railroad, Common.............	42⅝	47	46¾	51¼	46¾	50⅛
" Preferred............	68	71	72	75	72½	74½
Harlem Railroad, Common Shares..	115	122½	118	130	124	134
Reading Railroad Shares..........	..	..	..	..	..	..

Stocks.	Dec., 1873. Lowest.	Dec., 1873. Highest.	Jan., 1874. Lowest.	Jan., 1874. Highest.	Feb., 1874. Lowest.	Feb., 1874. Highest.
N. York & New Haven R. R. Shares.	121	127	122	130	129	131
Michigan Central Railroad Co.	72	77½	78	79	89	95¼
Lake Shore & Mich. Southern R. R.	70⅞	77½	77½	84⅝	80⅜	83½
Panama Railroad Company Shares..	88	111	110	118	115	117½
Union Pacific Railroad " ..	24⅞	32⅞	30½	35⅝	34	35⅞
Illinois Central Railroad " ..	98	100½	100	103	102¼	108½
Cleveland & Pittsburgh R.R. " Gtd.	79¾	86	85½	89½	87	90
" Col., Cinn. & Ind. R. R. ...	71½	75	76	80	78	89¼
Chicago, Rock Island & Pacific R. R.	92	100⅞	100⅞	106	104½	109¾
" Burlington & Quincy " ..	94½	96	97	106	105	112
" & Alton Railroad Shares....	99	102¾	103	110	106½	115
" " Pref.	104	104	110	112	109½	115
" & Northwestern R.R. Shares	47	57⅝	57½	62¼	56¼	61⅜
" " " Pref.	67½	73½	69½	75½	106⅛	112½
Del., Lackawanna & West. R. R. Co.	95¾	104½	99	105½	92	94¾
Pitsb'gh, Ft. Wayne & Chic., Guar.	88⅛	90	90	93	49¼	54⅛
Toledo & Wabash R. R. Co. Shares.	45⅞	55	49½	55¼	..	..
" " " Pref.	..	..	..	..	14	16
St. Louis, Alton & Terre Haute R. R.	8	16	12	20	33	35
" " " Pref.	24½	34⅞	31	39	31¼	34¾
Ohio & Mississippi R. R. Co. Shares.	25¾	31½	30½	36	30½	33¼
Hannibal & St. Joseph R. R. "	23½	28½	27½	34¼	39½	42
" " " Pref.	34	37	37⅝	43½	43½	48½
Milwaukee & St. Paul R. R. Shares.	34⅛	42¾	41⅞	49¾	69½	74⅞
" " " Pref.	58¼	66¼	66¼	73	1⅝	3⅜
Boston, Hartford & Erie R. R. Shares	1¾	3⅜	2¾	3½	30¼	32⅜
Col., Chic. & Ind. Cen. R.R. Shares	22⅞	28	27¼	32½	65	65
Dubuque & Sioux City Railroad....	..	..	55	56	103	109¾
New Jersey Central Railroad Shares	94¾	102	98	102½	92	93
Morris & Essex Railroad Shares....	88	93	89¼	92¼	..	..
N. Y. Central Six p. ct. Bds. of 1883	90	92	91½	93	..	..
Erie First Mortgage Bonds of 1868..	100	100	101	102½	..	..
Long Dock Bonds.................	90	93	93	95	..	..
Mich. Southern Sinking Fund Bonds	99	100¾	102	103	..	..
" Seven p. ct. 2d Mtge	94½	95	95	97¾	..	..
Central Pacific 1st Mortgage Bonds.	91½	96½	92½	96⅝	..	..
Union " " "	79¼	86	81½	86⅛	..	..
" " Land Grant Bonds .	70½	77	75½	82½	..	..
" " Income Bonds......	65⅛	75½	73¾	80½	..	..
Alton & Terre Haute 1st Mtge Bds...	99½	99¾	99	100	..	..
" " 2d " Pref.	87	90	88	90	..	..
" " " Income Bds.	70	73	74½	77⅜	..	..
Belleville & So. Ill. 1st Mtge. 8 p. ct.	90	90	90	96	..	..
Chic. & N. W. Consol'n S. F. Bonds	88	89	88½	92½	..	..
" " 1st Mortgage Bonds..	96	100	100	102	..	..
Cleveland & Tol. Sinking Fund Bds.	102	102	101	101¼	..	..
" & Pittsb'gh Consol'n Bds.	91	92	..	..	..	..
" " Second Mtge.	92	92	..	..	..	..
" " Third "	96	98	..	..	..	..
" " Fourth "	87	88	86½	88½	..	..
Chic., Rock Isl'd & Pac. 7 p. c. Bds.	103	105¼	101	103½	..	..
Milwaukee & St. Paul 1st Mortgage.	..	..	107	110	..	..
St. Louis & Iron Mountain R.R. Bds	94	96	97	99⅝	..	..
Col., Chic. & Ind. Cen. 1st Mtge. Bds.	80¾	85	84	87¼	..	..
" " " 2d " "	61	66	61	68	..	..
Toledo, Peoria & Warsaw 1st, E. D.	69	69	..	..	..	..
" " " 1st, W. D.	65	70	70	72	..	..
" " " 2d, W. D.	..	..	55	55	..	..
Cedar Falls & Minn. 1st Mtge. Bds.	75	75	72	74½	..	..
Boston, Hart. & Erie 1st Mtge. Bds.	24¼	31½	28½	31	..	..

THE TREASURY POLICY OF FIFTY YEARS.

Opinions of Secretaries HAMILTON, DALLAS, CRAWFORD, RUSH, TANEY *and* WOODBURY,

ON THE CURRENCY, PUBLIC CREDIT, &c.

I. ALEXANDER HAMILTON,

Secretary of the Treasury from 11th September, 1789, *to January* 31, 1795.

Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by a scrupulous attention, on the part of the Government, to carry the violation no further than the necessity absolutely requires, and to manifest, if the nature of the case admit of it, a sincere disposition to make reparation whenever circumstances shall permit. But, with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is, therefore, highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions.—*January* 9, 1790.

While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connexion between public virtue and public happiness, will be its repugnancy to a violation of those principles.

This reflection derives additional strength from the nature of the debt of the UNITED STATES. It was the price of liberty. The faith of AMERICA has been repeatedly pledged for it, and with solemnities that give peculiar force to the obligation. There is, indeed, reason to regret that it has not hitherto been kept; that the necessities of the war, conspiring with inexperience in the subjects

of finance, produced direct infractions; and that the subsequent period has been a continued scene of negative violation, or non-compliance. But a diminution of this regret arises from the reflection that the last seven years have exhibited an earnest and uniform effort, on the part of the Government of the Union, to retrieve the national credit, by doing justice to the creditors of the nation; and that the embarrassments of a defective constitution, which defeated this laudable effort, have ceased.—*Ibid.*

To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources, both to agriculture and commerce; to cement more closely the union of the States; to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy;—these are the great and invaluable ends to be secured by a proper and adequate provision, at the present period, for the support of public credit.—*Ibid.*

A wise nation will never permit those who relieve the wants of their country, or who rely most on its faith, its firmness, and its resources, when either of them is distrusted, to suffer by the event.

— *January*, 1790.

It will not be forgotten that exigencies may, ere long, arise, which would call for resources greatly beyond what is now deemed sufficient for the current service; and that, should the faculties of the country be exhausted, or even strained, to provide for the public debt, there could be less reliance on the sacredness of the provision. But while the Secretary yields to the force of these considerations, he does not lose sight of those fundamental principles of good faith, which dictate that every practicable exertion ought to be made, scrupulously to fulfill the engagements of the Government; that no change in the rights of its creditors ought to be attempted, without their voluntary consent; and that this consent ought to be voluntary in fact, as well as in name. Consequently, that every proposal of a change ought to be in the shape of an appeal to their reason and to their interest, not to their necessities. To this end, it is requisite that a fair equivalent should be offered for what may be asked to be given up, and unquestionable security for the remainder. Without this, an alteration consistently with the credit and honor of the nation would be impracticable.—*Ibid.*

Persuaded as the Secretary is that the proper funding of the present debt will render it a national blessing, yet he is so far from acceding to the position, in the latitude in which it is sometimes laid down, that "public debts are public benefits"—a position inviting to prodigality, and liable to dangerous abuse—that he ardently wishes to see it incorporated, as a fundamental maxim, in the system of public credit of the UNITED STATES, that the creation of debt should always be accompanied with the means of extinguishment. This he regards as the true secret for rendering public credit immortal. And he presumes that it is difficult to conceive a situation in which there may not be an adherence to the maxim. At least, he feels an unfeigned solicitude that this may be attempted by the UNITED STATES, and that they may commence their measures for the establishment of credit with the observance of it.—*Ibid.*

Deeply impressed as the Secretary is with a full and deliberate conviction that the establishment of the public credit, upon the basis of a satisfactory provision for the public debt, is, under the present circumstances of this country, the true desideratum towards relief from individual and national embarrassments; that, without it, these embarrassments will be likely to press still more severely upon the community: he cannot but indulge an anxious wish that an effectual plan for that purpose may, during the present session, be the result of the united wisdom of the Legislature.

He is fully convinced that it is of the greatest importance that no further delay should attend the making of the requisite provision; not only because it will give a better impression of the good faith of the country, and will bring earlier relief to the creditors, (both of which circumstances are of great moment to public credit,) but because the advantages to the community, from raising stock as speedily as possible to its natural value, will be incomparably greater than any that can result from its continuance below that standard.—*Ibid.*

There is no sentiment which can better deserve the serious attention of the legislators of a country than the one expressed in the speech of the President, which indicates the danger to every government from the progressive accumulation of debt. A tendency to it is, perhaps, the natural disease of all governments; and it is not easy to conceive anything more likely than this, to lead to great and convulsive revolutions of empire.

On the one hand, the exigencies of a nation, creating new causes of expenditure, as well from its own as from the ambition, rapacity, injustice, intemperance and folly, of other nations, proceed in increasing and rapid succession. On the other, there is a general propensity in those who administer the affairs of a government,

founded in the constitution of man, to shift off the burden from the present to a future day—a propensity which may be expected to be strong in proportion as the form of a State is popular.

To extinguish a debt which exists, and to avoid the contracting more, are ideas always favored by public feeling and opinion; but to pay taxes for the one or the other purpose, which are the only means of avoiding the evil, is always more or less unpopular. These contradictions are in human nature; and happy, indeed, would be the lot of a country that should ever want men ready to turn them to the account of their own popularity, or to some other sinister account.—*January* 16, 1795.

There can be no more sacred obligation, then, on the public agents of a nation, than to guard with provident foresight and inflexible perseverance against so mischievous a result. True patriotism and genuine policy cannot, it is respectfully presumed, be better demonstrated by those of the UNITED STATES, at the present juncture, than by improving efficaciously the very favorable situation in which they stand for extinguishing, with reasonable celerity, the actual debt of the country, and for laying the foundation of a system which may shield posterity from the consequences of the usual improvidence and selfishness of its ancestors, and which, if possible, may give IMMORTALITY TO PUBLIC CREDIT.—*Ibid.*

If a nation can find embarrassment in creating the revenues requisite on this scale, it must arise from her having reached a stage when, from the neglect of the principle now inculcated, the mass of her debt has become so enormous as to strain her faculties in order to make a provision for it.—*Ibid.*

Let any man consult the actual course of our pecuniary operations, and let him then say whether credit be not eminently useful. Let him imagine the expense of a single campaign in a war with a great European power; and let him then pronounce whether credit would not be indispensable. Let him decide whether it would be practicable, at all, to raise the necessary sum by taxes within the year; and let him judge what would be the degree of distress and oppression which the attempt would occasion to the community. He cannot but conclude that war, without credit, would be more than a great calamity—would be ruin.

But credit is not only one of the main pillars of the public safety; it is among the principal engines of useful enterprise and internal improvement. As a substitute for capital, it is little less useful than gold or silver in agriculture, in commerce, in the manufacturing and mechanic arts.—*Ibid.*

II. Alexander J. Dallas,

Secretary of the Treasury from 6th October, 1814, *to November*, 1816.

The wealth of the nation, in the value and products of its soil, in all the acquisitions of personal property, and in all the varieties of industry, remains almost untouched by the hand of Government; for the national faith, and not the national wealth, has hitherto been the principal instrument of finance. It was reasonable, however, to expect that a period must occur, in the course of a protracted war, when confidence in the accumulating public engagements could only be secured by an active demonstration both of the capacity and the disposition to perform them. In the present state of the treasury, therefore, it is a just consolation to reflect that a prompt and resolute application of the resources of the country will effectually relieve from every pecuniary embarrassment, and vindicate the fiscal honor of the Government.

—*October*, 1814.

The condition of the circulating medium of the country presents another copious source of mischief and embarrassment. The recent exportations of specie have considerably diminished the fund of gold and siver coin; and another considerable portion of that fund has been drawn, by the timid and the wary, from the use of the community, into the private coffers of individuals. On the other hand, the multiplication of banks in the several States has so increased the quantity of paper currency, that it would be difficult to calculate its amount; and still more difficult to ascertain its value, with reference to the capital on which it has been issued. But the benefit of even this paper currency is in a great measure lost, as the suspension of payments in specie, at most of the banks, has suddenly broken the chain of accommodation that previously extended the credit and the circulation of the notes which were emitted in one State, into every State of the Union. It may, in general, be affirmed, therefore, that there exists at this time no adequate circulating medium, common to the citizens of the United States. The moneyed transactions of private life are at a stand, and the fiscal operations of the Government labor with extreme inconvenience. It is impossible that such a state of things should be long endured; but let it be fairly added, that, with *legislative aid*, it is not necessary that the endurance should be long. Under favorable circumstances, and to a limited extent, an emission of treasury notes would probably afford relief; but treasury notes are an expensive and precarious substitute either for coin or for bank notes, charged as they are with a growing interest, productive of no countervailing profit or emolument, and exposed to every breath of popular prejudice or alarm. The establishment of a national institution, operating upon credit combined with capital, and regulated by prudence and good faith, is,

after all, the only efficient remedy for the disordered condition of our circulating medium. While accomplishing that object, too, there will be found, under the auspices of such an institution, a safe depository for the public treasure, and a constant auxiliary to the public credit. **But whether the issues of a paper currency proceed from the national treasury, or from a national bank, the acceptance of the paper in a course of payments and receipts must be forever optional with the citizens. The extremity of that day cannot be anticipated, when any honest and enlightened statesman will again venture upon the desperate expedient of a tender law.**—*Ibid.*

The difficulties of the national circulating medium remain, however, to be encountered under circumstances which the Government cannot control. The effects of the peace will certainly restore a metallic medium; but, until that result be produced, the only resource for all the pecuniary transactions of the treasury, as well as of individuals, will be the issues of treasury notes and the notes of the State banks. . . . —*February* 20, 1815.

The alternative or concurrent resource of treasury notes for a national circulating medium, has on other occasions been considered. The security of the Government must always, upon every reasonable and candid estimate, be deemed superior to the security of any private corporation; and, so far as treasury notes bear an interest, and are receivable in the payment of duties and taxes, they are evidently more valuable than bank notes, which do not possess those characteristics. But the machinery of a bank is calculated to give an impulse and direction to its issues of paper, which cannot be imparted by the forms of the treasury, or any merely official institution, to the paper of the Government. In the operations of a bank, too, the facilities of bank credits supply the place, in a very important degree, of the issues of notes; so that a bank loan of thirty millions of dollars, for instance, would probably require no greater issue than six millions of dollars in notes.
—*February*, 1815.

The constitutional and legal foundation of the monetary system of the UNITED STATES is thus distinctly seen; and the power of the Federal Government to institute and regulate it, whether the circulating medium consist of coin, or of bills of credit, must, in its general policy, as well as in the terms of its investment, be deemed an exclusive power. It is true that a system depending upon the agency of the precious metals, will be affected by the various circumstances which diminish their quantity or deteriorate their quality. The coin of a State sometimes vanishes under the

influence of political alarms, sometimes in consequence of the explosion of mercantile speculations, and sometimes by the drain of an unfavorable course of trade. But, whenever the emergency occurs that demands a change of system, it seems necessarily to follow, that the authority which was alone competent to establish the national coin, is alone competent to create a national substitute. . . . . —*December*, 1815.

It is not intended, upon this occasion, to condemn, generally, the suspension of specie payments; for appearances indicated an approaching crisis, which would probably have imposed it as a measure of necessity, if it had not been adopted as a measure of precaution. But the danger which originally induced, and perhaps justified the conduct of the banks, has passed away, and the continuance of the suspension of specie payments must be ascribed to a new series of causes. The public credit and resources are no longer impaired by the doubts and agitations excited during the war by the practices of an enemy, or by the inroads of illicit commerce; yet the resumption of specie payments is still prevented, either by the reduced state of the national stock of the precious metals, or by the apprehension of a further reduction to meet the balances of foreign trade, or by the redundant issues of bank paper. The probable direction and duration of these latter causes constitute, therefore, the existing subject for deliberation. While they continue to operate singly or combined, the authority of the States individually, or the agency of the State institutions, cannot afford a remedy commensurate with the evil, and a recurrence to the National authority is indispensable for the restoration of a National currency.—*Ibid.*

It is proposed that the measures suggested by the following considerations be adopted to aid the National bank in commencing and maintaining its operations upon the basis of payments in the current coin:

1. To restore the National currency of gold and silver, it is essential that the quantity of bank paper in circulation should be reduced; but this effort alone will be sufficient to effect the object. By reducing the amount of bank paper, its value must be proportionably increased; and as soon as the amount shall be contracted to the limits of a just proportion in the circulating medium of the country, the consequent revival of the uses for coin, in the business of exchange, will insure its reappearance in abundance. The policy, the interest, and the honor of the State banks, will stimulate them to undertake and prosecute this salutary work. But it will be proper to apprise them that, after a specified day, the notes of such banks as have not resumed their payments in the

current coin will not be received in payments either to the Government or to the National bank.

2. The resumption of payments in current coin at the State banks will remove every obstacle to the commencement of similar payments at the National bank. The difficulty of commencing payments in coin is not, however, to be considered as equal to the difficulty of resuming them. The National bank, free from all engagements, will be able to regulate its issues of paper, with a view to the danger, as well as to the demand, that may be found to exist. But, in addition to the privileges granted by the charter, it will also be proper to apprise the State banks that, after the commencement of the operations of the National bank, the notes of such banks as do not agree to receive, reissue, and circulate the notes of that institution, shall not be received in payments either to the Government or to the National bank.

3. The possibility that the National currency of coin may not be perfectly restored at the time of organizing the bank, has induced the proposition that the payment of the Government subscription to the capital shall be made in treasury notes, which will be receivable in all payments to the Government and to the National bank, but which will not be demandable in coin. The principle of this proposition might, perhaps, be usefully extended to authorize the National bank to issue notes of a similar character for a limited period; and it will be proper further to apprise the State banks that the notes of such banks as do not agree to receive, reissue, and circulate these treasury notes, or National bank notes, shall not be received in payments either to the Government or to the National bank.—*December*, 1815.

III. *Report of the Committee of the House of Representatives, March* 25, 1816.

The only evil it is supposed that can be plausibly assigned as likely to flow from the chartering of the unincorporated banks, is that which may be supposed to arise from a surcharged circulation of their paper. So long as banks continue their operations without redeeming their notes with specie, this is a well-grounded apprehension. The love of gain, one of the most powerful instincts of the human heart, without the salutary check of specie redemption, will always tempt banking associations to overtrade. But the necessity of paying specie for their notes, when demanded, affords an ample check to that propensity—at least in the present state of our public affairs.

IV. William H. Crawford,

Secretary of the Treasury from 5th November, 1816, *to March*, 1825.

As the currency is, at least in some parts of the Union, depreciated, it must in those parts suffer a further reduction before it becomes sound. The nation must continue to suffer until this is effected. After the currency shall be reduced to the amount which, when the present quantity of the precious metals is distributed among the various nations of the world, in proportion to their respective exchangeable values, shall be assigned to the United States; when time shall have regulated the price of labor, and of commodities, according to that amount; and when pre-existing engagements shall have been adjusted, the sufferings from a depreciated, decreasing, and deficient currency will be terminated. Individual and public prosperity will gradually revive, and the productive energies of the nation resume their accustomed activity. But new changes in the currency, and circumstances adverse to the perpetuity of the general prosperity, may reasonably be expected to occur. So far as these changes depend upon the currency, their recurrence, to an extent sufficient to disturb the prosperity of the nation, would be effectually prevented if it could be rendered purely metallic. In that event we should always retain that proportion of the precious metals which our exchangeable commodities bear to those of other nations. The currency would seldom be either redundant or deficient, to an extent that would seriously affect the interest of society. But when the currency is metallic, and paper convertible into specie, changes to such an extent, it is believed, will frequently occur.

—*February* 12, 1820.

But the Federal Government has, by its measures, in some degree contributed to the spirit of speculation and of adventurous enterprise, which, at this moment, so strongly characterizes the citizens of this republic. The system of credit, which, in the infancy of our commerce, was indispensable to its prosperity, if not to its existence, has been extended at a period when the dictates of sound discretion seemed to require that it should be shortened. The credit given upon the sale of the National domain has diffused this spirit of speculation and of inordinate enterprise among the great mass of our citizens. The public lands are purchased, and splendid towns erected upon them, with bank credits. Everything is artificial. The rich inhabitant of the commercial cities, and the tenant of the forests, differ only in the object of their pursuit. Whether commerce, splendid mansions, or public lands be the object of desire, the means by which the gratification is to be secured are bank credits.

This state of things is no less unfriendly to the duration of our republican institutions, than it is adverse to the development of

our national energies, when great emergencies shall arise; for, upon such occasions, the attention of the citizen will be directed to the preservation of his property from the grasp of his creditors, instead of being devoted to the defence of his country. Instead of being able to pay with promptitude the contributions necessary to the preservation of the State, he will be induced to claim the interference of the Government to protect him against the effects of his folly and extravagance.

This ought not to be the condition of a republic when menaced by foreign force or domestic commotion. Such, it is apprehended, will be the condition of the UNITED STATES, if the course which has been pursued since the commencement of the late war is not abandoned. Since that period, it is believed, the number of banks in the UNITED STATES has been more than doubled. They have been established in the little inland towns and villages, and have brought distress and ruin upon the inhabitants. When the cause and the extent of the evil are known, no doubt is entertained that the appropriate remedies will be applied by those who, in our complex form of government, are invested with the necessary authority.—*Ibid.*

As a financial resource, the issue of treasury notes is justifiable only where the deficiency which they are intended to supply is small in amount, and temporary in its nature. As a measure of alleviation, it will be more likely to do harm than good. If a sufficient amount of those notes of any description whatever should be issued, and put into circulation where they are most wanted, unless they were given away, a debt in that part of the Union would be contracted to the extent of the issue. It might enable the borrowers to pay debts previously contracted, but their relative situation would be the same. Unless the currency became vitiated by the relief which was afforded, the ultimate payment of the debt would consummate the ruin which the measure was intended to prevent. But it is probable that the sums which might be advanced by way of loan would, in a great degree, be lost. The Government is not, from its nature, qualified for operations of this kind. The general system of credit which has been introduced by the agency of banks, and by the inevitable effect of the measures of the general Government, has produced an artificial state of things, which requires repression rather than extension. The issue of treasury notes, for the purpose of alleviating the general distress, would tend to increase this unnatural and forced state of things, and give to it a duration which it would otherwise never attain. If much of the evil resulting from a decreasing currency had not already been suffered, there might be some plausible reason for urging the issue of treasury notes as a measure of alleviation. This ground cannot be urged in its favor; it is, therefore, indefensible, upon the ground of expediency as well as of principle.

In considering this proposition, the power of Congress over the currency of the UNITED STATES cannot, consistently with the respect which is due to that body, be either affirmed or denied. It cannot be supposed that the House of Representatives, in adopting the resolution in question, intended, through the agency of an executive department of the Government, to institute an inquiry as to the extent of the constitutional authority of a body of which it is only a constituent member. Yet it will necessarily occur to the House, that, if the power of Congress over the currency is not absolutely sovereign, the inquiry, whatever may be its immediate result, must be without any ultimate utility. The general prosperity will not be advanced, by demonstrating that there is no intrinsic obstacle to the substitution of a paper for a metallic currency, if the power to adopt the substitute has been withheld from the Federal Government. Without offering an opinion upon the weight to which these views would have been entitled, had they been urged whilst the resolution was under consideration, it is admitted that they furnish no ground for declining the performance of the duty imposed by its adoption. In the discussion of a question of so much delicacy and importance, the utmost confidence is reposed in the justice and liberality of those who have rendered it indispensable —*Ibid.*

Previously to entering upon the immediate discussion of the practicability of substituting a paper for a metallic currency, it is proper to observe, that gold and silver derive part of the uniformity of value which has been ascribed to them from the general consent of civilized States to employ them as the standard of value. Should they cease to be used for that purpose, they would become more variable in their value, and would be regulated, like all other articles, by the demand for them, compared with the supply in any given market. It is presumed that, if they should cease to be employed as the standard of value by several States, their uniformity of value would be in some degree affected, not only in those States where they were considered as mere commodities, but in those where they were still employed as currency. Whenever, as commodities, they should rise in value, a drain would take place from the currency of other States; and when they should fall in value as commodities, they would seek employment as currency, and render in some degree redundant the currency of the States where they are employed. After making due allowance for the depreciation of bank notes in ENGLAND, from the time of the bank restriction in 1797, to the present period, the price of gold and silver in that country is believed to have varied more than at any former period. Their price, when compared with bank notes, from the year 1797 to 1808, showed but a slight degree of depreciation—considerably less, in all human probability, than actually existed. During that interval, the demand for those metals was limited in ENGLAND to the sum required for manufac-

tures. It is highly probable that, if the quantity of the paper circulation had been reduced to the amount of the currency in circulation at the time, or for one year before the restriction, the price of bullion would have been below the mint price. On the contrary, in the year 1808, when the employment of a British force in SPAIN created a sudden demand for specie, the depreciation of bank notes, indicated by the price of bullion, was probably greater than that which really existed. In the year 1814, after the treaty of Paris, the price of bullion, estimated in bank paper, was not above the mint price; whilst in the succeeding year it rose to more than twenty per cent. above that price: the amount of bank notes in circulation at the former exceeding, in a small degree, that of the latter period. It is impossible that these variations in the price of gold and silver, in the short space of one year, can be entirely chargeable to the depreciation of bank notes. The effect which these variations, in a great commercial State, where the precious metals were considered only as commodities, were calculated to produce upon the currency of the neighboring States, has not been ascertained. The convulsions to which most of these States were subject during that period may account for the want of sufficient data to elucidate the subject. It is, however, highly improbable that these fluctuations were not sensibly felt by them.

Having considered the nature and extent of the variations in value to which a metallic currency is necessarily subject, it remains to examine whether it is practicable to devise a system by which a paper currency may be employed as the standard of value, with sufficient security against variations in its value, and with the same certainty of its recovering that value when, from any cause, such variations shall have been produced. It is distinctly admitted that no such paper currency has ever existed. Where the experiment has been made directly by government, excessive issues have quickly ensued, and depreciation has been the immediate consequence. Where the experiment has been attempted through the agency of banks, it has invariably failed. In both cases, instead of being used as a means of supplying a cheap and stable currency, invariably regulated by the demand for effecting the exchanges required by the wants and convenience of society, it has been employed as a financial resource, or made the instrument of unrestrained cupidity. In no case has any attempt been made to determine the principles upon which such a currency, to be stable, must be founded. Instead of salutary restraints being imposed upon the moneyed institutions which have been employed, the vital principle of whose being is gain, they have not simply been left to the guidance of their own cupidity, but have been stimulated to excessive issues to supply deficiencies in the public revenue. This is known to have been the case, in an eminent degree, in the experiment which has been attended with most suc-

cess. The issues of the BANK OF ENGLAND, on account of the Government, were frequently so great as to destroy the demand for discounts by individuals. In consequence of these excessive issues, the interest of money fell below five per cent., the rate at which the bank discounted; the demand for discounts at the bank therefore ceased. It is, indeed, not surprising that no systematic effort has been made to restrain excessive issues. In the case of banks, the experiments which have been made were intended to be temporary; they were the result of great and sudden pressure, which left but little leisure for the examination of a subject so abstruse. The employment of a paper circulation convertible into specie, (the favorite system of modern States,) having, as has been attempted to be shown in a previous part of this report, the inevitable tendency to produce the necessity of resorting in every national emergency to paper not so convertible, imposes upon those who are called to administer the affairs of nations the duty of thoroughly examining the subject, with a view, if practicable, to avoid that necessity. If the examination does not result in the establishment of a paper currency unconnected with specie, it may lead to the imposition of salutary checks against excessive issues, when the necessity of suspending payment may occur.—*Ibid.*

A metallic currency, having an intrinsic value, independent of that which is given to it by the sovereign authority, does not depend upon the stability of the Government for its value. Revolutions may arise; insurrections may menace the existence of the Government; a metallic currency rises in value under such circumstances; it becomes more valuable, compared with every species of property, whether movable or immovable, in proportion to the instability of the Government. Not so with a paper currency. Its credit depends, in a great degree, upon the confidence reposed in the stability of the authority by which it was issued. Should that authority be overthrown by foreign force or intestine commotion, an immediate depreciation, if not an absolute annihilation of its value, would ensue.—*Ibid.*

As a paper currency is issued upon the national credit, the whole property of the nation is pledged for its redemption, whenever, by any circumstance, it may become the interest of the community that it should be redeemed. It is, therefore, manifest that it should not issue upon the credit of any individual, or association of individuals. A part can never be equal to the whole. The credit of any individual, or association of individuals, cannot be equivalent to that of the nation of which they form a part. But it may be said, that although the credit of individuals is not equivalent to the credit of the nation, yet an equivalent for a

particular portion of that credit may be found in the pledge or mortgage of property of equal or greater value than the currency issued upon it.—*Ibid.*

In an attempt to trace the probable results of a paper currency, founded upon the principles which have been developed in the preceding pages, the influence which it will have upon foreign exchange requires investigation. **The want of stability, morality, and intelligence in the Government which may undertake to substitute a paper for a metallic currency, are the objections which have already been considered.** To these (according to common opinion) is to be added the injurious effect which it is supposed it will have upon foreign exchange. In a country where the currency is metallic, an unfavorable state of foreign exchange will probably have the following effects:

1. To raise the price of exportable articles as much above that which they ought to bear, as the premium paid upon foreign bills, until it exceeds the expense of exporting specie to the foreign market.

2. When this rise exceeds the expense of such exportation, the price of exportable articles will fall gradually below what they ought to command, to the extent of that excess.

3. Until this fall in their price shall be effected, specie will be exported; after which, it will cease.

4. This fall in their price, by increasing their consumption in the foreign markets, ultimately provides for the return of the specie which had been exported.

5. During the second and third stages of this process, the price of all articles not exportable is affected in a greater degree; enterprise is damped, and distress prevails.—*Ibid.*

In a country where a paper currency has been adopted, and the principles by which a redundancy may be prevented have been enforced, an unfavorable state of foreign exchange will probably have the following effects:

1. The effect of raising the price of exportable articles as much above what they ought to bear as equals the premium upon foreign bills; but, in this case, gold and silver, being exportable articles, will rise in the same proportion as all other articles.

2. When the price of all articles is raised so high that a loss will be incurred by their sale in foreign markets, those who have no remittances to make will withdraw from the competition. If profitable investments in other enterprises cannot be made, a portion of the currency, at their disposition, will be withdrawn from circulation by being converted into funded stock; competition

will in this manner be diminished; the price of articles for exportation will be reduced by the reduction of the currency, and by diminished competition among the purchasers. It is not probable, however, that the price will fall so low as to admit of a profit in foreign markets, as long as the premium upon exchange continues above the ordinary commercial profit upon exported articles. But exportation will not be continued at a certain loss, longer than the discharge of debts previously contracted renders indispensable; foreign articles will not be imported when the loss upon remittances, whether made by bills of exchange or by the exportation of commodities, is equal to the profit upon importation; the high price given for exportable articles will increase their production, and restore foreign exchange to a favorable state. The balance of trade, and the rate of foreign exchange, which have given so much trouble to statesmen for two centuries past, when left to the laws by which they will be governed in despite of human devices, as invariably regulate themselves as fluids, when unrestrained, find their common level. They will probably more promptly conform to these laws in a State where a well-regulated paper currency prevails, than where it is metallic. In the latter, the currency is exported to make up any temporary deficiency; and by that means provides against the recurrence of the evil, by indirectly causing an increase of the exportable articles of the State, and diminishing the importation of foreign articles. Until the capacity to purchase these, by the exchange of articles, shall be restored in the former, (as the currency cannot be exported,) the importations will be more promptly reduced to the capacity of the country to purchase; whilst the increase of its exportable articles will be the direct, instead of the indirect, consequence of a temporary incapacity to pay for previous importations.

3. During the whole process of restoring a favorable state of exchange, in a country where a well-regulated paper currency prevails, the price of all articles not exportable will suffer no material variation. The funding of the currency, which will probably take place, will not be immediately carried so far as to reduce the price of exportable articles so as to command a profit in foreign markets. They will, so long as the rate of exchange is unfavorable, continue to command higher prices than when the exchange is favorable. This increased price will encourage industry and enterprise, and constantly tend to augment the productive energies of the community. This effect cannot fairly be attributed to any depreciation in the currency. That will continue to bear nearly the same proportion to the exchangeable articles of the State, as when foreign exchange was favorable. It is probable even that its relation to those articles will be changed so as to produce an appreciation of the currency; and that this appreciation will be perceived, in a slight degree, in the depression of the value of all articles not exportable. The effects of this appreciation will, however, be diminished by the impulse given to industry and enterprise, by the increased price of all articles which can be exported.

If these views be correct, the only obstacles to the establishment of a paper currency by a government having a sovereign right to establish it, is the danger of the instability and want of integrity and intelligence of the government. There is, certainly, just reason to apprehend that emergencies may arise in the affairs of every nation, in which their stability may be menaced by foreign force or domestic insurrection. In such an event, a panic might ensue, and the credit of the currency be utterly annihilated. How far the recent examples which have been adverted to in other States—how far the influence of public opinion over the conduct of governments may be relied upon as an efficient preventive against evils of such magnitude, must be determined by those to whom, under Divine Providence, the prosperity and happiness of nations are committed. The subject involves all the complicated interests of society, except the enjoyment of civil, political, and religious liberty. It ought to be approached with more than ordinary circumspection. In States the best qualified to attempt the change, it is environed with doubts which can only be dispelled by the light of experiment. In the UNITED STATES, these doubts are greatly increased by the complex form of the government. In the division of power between the Federal and State Governments, the line of separation is not sufficiently distinct to prevent collisions which may disturb the harmony of the system. Collisions have already arisen, and, in the course of human events, may be reasonably expected to arise, until the line of separation by which their relative powers and duties are determined shall be distinctly defined by practice, or by explanatory amendments of the constitution, effected according to the forms prescribed in that instrument. Upon no question will collision more likely arise than that contemplated by the resolution under which this report is submitted. No attempt to make the change has succeeded. The measure, when stripped of extraneous difficulties, must be admitted to be of doubtful tendency. Under the most auspicious circumstances, it may prove abortive; under circumstances in any degree adverse, it must inevitably fail. Any obstacle opposed to its execution, by one or more of the State Governments, would be decisive of its fate. Their simple acquiescence in the measure would not be sufficient to secure to it that issue to which the principles upon which it might be established would necessarily lead. Their active co-operation would be indispensable. The banks which derive their authority from the State Governments are generally bound by their charters to discharge their notes in specie on demand. From this obligation it would be necessary to the system to relieve them. The obligation to discharge their notes upon demand in the national currency, should be substituted for that of paying them in specie.—*Ibid.*

It is then believed that the evils which are felt in those sections of the Union where the distress is most general, will not be ex-

tensively relieved by the establishment of a national currency. The sufferings which have been produced by the efforts that have been made to resume and to continue specie payments have been great. They are not terminated, and must continue until the value of property and the price of labor shall assume that relation to the precious metals which our wealth and industry, compared with those of other States, shall enable us to retain. Until this shall be effected, an abortive attempt, by the substitution of a paper currency, to arrest the evils we are suffering, will produce the most distressing consequences. The sufferings that are past will, in such an event, recur with additional violence, and the nation will again find itself in the situation which it held at the moment when specie payments were resumed.

V. Richard Rush,

Secretary of the Treasury from 7th March, 1825, *to March,* 1829.

The merchant, like the manufacturer, requires, at proper junctures, the helping hand of Congress, and may suffer without it. Hence it has been the object, as it was the duty, of the department, to invoke legislative favor for both these great interests, under the belief that they flourish most when they flourish together; that, in proportion as both flourish, in conjunction with agriculture, (the invariable feeder of both,) is the public treasury most likely to be kept full; and that all plans of finance that do not take the co-operating prosperity of these three primary interests of the State as their foundation, must prove fallacious or short lived.—*Dec.* 6, 1828.

It is the preservation of a good currency that can alone impart stability to property, and prevent those fluctuations in its value, hurtful alike to individual and to national wealth. This advantage the bank has secured to the community, by confining within prudent limits its issues of paper, whereby a restraint has been imposed upon excessive importations, which are thus kept more within the true wants and capacity of the country. Sometimes (judiciously varying its course) it enlarges its issues, to relieve scarcity, as under the disastrous speculations of 1825. The State banks, following or controlled by its general example, have shaped their policy towards the same salutary ends—adding fresh demonstrations to the truth, that, under the mixed jurisdiction and powers of the State and National systems of Government, a National bank is the instrument alone by which Congress can effectively regulate the currency of the nation.—*Ibid.*

The opinions of Secretaries Taney *and* Woodbury *will be contained in the May No. of the* Banker's Magazine, *together with some opinions avowed by* Mr. Webster.

STANDARD WORKS FOR BANKERS.

I. EXCHANGE TABLES, for converting sterling into currency, and currency into sterling, from $4.55 per £, increasing by one-half cent to $5.05 per £, corresponding with 2⅜ to 13⅝ premium on the old fictitious par of $4.44 per £. By PHILIP P. HARRIS, Auditor New York, Newfoundland, and London Telegraph Co.

II. STOCK AND INTEREST TABLE, showing the MATURED AND PRESENT VALUE OF BONDS, STOCKS, and other securities; together with Annuities, Compound and Simple Interest, &c. By Prof. JOHN N. STOCKWELL, M. A. Quarto, tinted paper, extra cloth binding, $10.00. D. VAN NOSTRAND, Publisher, 23 Murray Street and 27 Warren Street, New York. *** Copies sent free by mail on receipt of price.

III. COMPLETE COIN BOOK, containing perfect fac simile impressions of all the various gold, silver and other metallic coins throughout the world, with the United States mint value of each coin under it. The whole being placed in proper order as regards the various governments to which they belong, arranged according to their different denominations and value. Together with a complete index, alphabetically arranged, of the coins of each and every nation. Also, containing the State arms of each State. Pamphlet, price $1.00.

IV. LOMBARD STREET: A description of the money market. By WALTER BAGEHOT, author of *The English Constitution.* One volume, 12mo., cloth, $1.75. Mr. BAGEHOT'S wonderful ability to make complex subjects easily understood is wonderfully illustrated in this remarkable volume. While the work will enable the reader to gain a clear idea of the Wall Street of London, it also gives him an insight into the English banking system, a thorough comprehension of which should be possessed by every intelligent citizen of the UNITED STATES, in order to enable him to understand our own financial strength and weakness.

A RELIABLE CURRENCY.

The following petition was presented to both Houses of Congress in January, signed by Brown Bros. & Co., Duncan, Sherman & Co., Drexel, Morgan & Co., Morton, Bliss & Co., John J. Cisco & Co., Grinnell, Minturn & Co., Howland & Aspinwall, Havemeyers & Elders, De Castro & Downer Sugar Refining Co., J. & J. Stuart & Co., Hallgarten & Co., A. A. Low & Brothers, Cooper, Hewitt & Co., Phelps, Dodge & Co., Harper & Brothers, and a large number of bankers, merchants, insurance companies, manufacturers, and others.

To the Honorable the Senate and House of Representatives in Congress assembled:

Your petitioners, bankers, merchants and citizens of the city of New York, respectfully represent that they view with alarm the numerous propositions before Congress for increasing the volume of the currency.

They believe that any additional issue of paper money, either directly by the government, or indirectly by the National banks by authority of the government, would be most injurious to the interests of the nation.

The country is now suffering, and has been for the past twelve years, great loss and inconvenience arising from an irredeemable currency. Values of all kinds of merchandise and other property are continually fluctuating, owing to the constantly changing price of gold, and thus no certain calculation can be made in business. Speculation of all kinds is stimulated by the excessive volume of the currency, and the minds of the whole nation are demoralized and rendered unfit for pursuits of steady industry.

Your petitioners beg leave to represent most earnestly that a resumption of specie payments at the earliest practicable time is imperatively required by the true interests of the nation, and they most respectfully deprecate the issue of any more currency, as such a proceeding would postpone indefinitely a return to a sound financial condition.

Your petitioners, therefore, pray that no more issues of paper shall take place, and that the greenbacks already issued out of the so-called reserve shall be withdrawn again as speedily as possible. In the present state of the money market the government can obtain whatever money they require as a loan at a low rate of interest, and this, your petitioners respectfully suggest, would be a far better way of obtaining funds than by issuing irredeemable currency.

BANKING AND FINANCIAL ITEMS.

BANKER'S ALMANAC.—The second edition of the BANKER'S ALMANAC is now ready, with the additions of over one hundred new banking firms, and the changes of president and cashier recently made. A third edition will be issued in two or three months, for which work, and for the BANKER'S MAGAZINE also, the publisher solicits for publication the names of new banks, banking firms, and savings banks; and the names of newly-elected bank presidents and cashiers. ☞ Copies of the BANKER'S ALMANAC for 1874, interleaved with ruled writing paper, may be had, on application, price $4. Copies of the same work, bound in two thin volumes, may be had, to order, price $3.25.

Notice to Subscribers.—Some copies of the February No. of the BANKER'S MAGAZINE were imperfectly put up by the binder, having the wrong sheets. Subscribers are requested to examine their copies, and give notice to this office of any imperfections in them. Perfect copies will be substituted for defective ones.

Annual Volumes.—Whatever value the BANKER'S MAGAZINE possesses as a record of banking affairs, that value is quadrupled to subscribers by having the numbers bound at the end of the year (June). Copies, substantially bound, of the last volume (July, 1872, to June, 1873, inclusive), with an appropriate index, will be supplied to order, in exchange for the loose numbers, at a charge of $1.50 per volume.

Bank Libraries.—Every banking institution should be provided with a library (large or small) of standard works on the history and principles of banking, commercial paper, finance, political economy, and such subjects as, sooner or later, the clerks should be familiar with. This plan is now executed by various banking institutions in various States. From one hundred to five hundred dollars can be profitably invested for this purpose. Almost every bank has twelve or more persons connected with it, either as president, cashier, directors, clerks, and notary, all of whom will benefit by such standard works as give information on the above subjects. Catalogues will be supplied by this office.

CURRENCY.—The Hon. AMASA WALKER has written a letter upon the resumption of specie payment, in which he commends the plan proposed by Senator SUMNER in 1871, namely: 1. That the Secretary of the Treasury be directed to prepare compound-interest notes, payable in three years, bearing interest like those issued during the war, at six per cent., of denominations suitable for circulation. Five millions of these to be dated the first of each month, and paid out for all dues of the Government, except those payable in gold. 2. These to be convertible at the end of two years into 10-40 five per cent. bonds, at the option of the holder, and to be a legal tender. 3. Greenbacks to be canceled as they come into the National Treasury, as fast as the compound-interest notes are issued. By this process the present circulating notes of the treasury would all be taken in and destroyed, and their place be occupied by the new issue.

NEW LOANS.—The New York and Erie Railway Company is offering on the London market a loan in the form of second mortgage 7-per-cent. gold bonds, the authorized amount of which is $40,000,000. Ten millions are to be held by the company to take up $10,000,000 of convertible bonds now outstanding. Of the remaining $30,000,000, one-half is now offered by the LONDON BANKING ASSOCIATION. The price is 78 or £156 for a £200 bond. The LONDON BANKING ASSOCIATION is backed by a powerful syndicate, and the friends of Erie here express themselves confident of a successful negotiation.

BANKRUPT HOUSES.—Assistant Treasurer HILLHOUSE having inquired whether he shall make payments of checks to bankers who have suspended, First Comptroller TAYLER has sent the following decision: "As I understand the law, payment to or by a bankrupt is not good. The rightfulness of such payment is not determined by the fact that proceedings in bankruptcy have been taken, but by the commission of an act of bankruptcy. Payment ought not to be made to a suspended house."

COUNTERFEIT BONDS—WHO LOSES?—The Boston *Advertiser* says: The NATIONAL HIDE AND LEATHER BANK, of Boston, has begun a suit against the FIRST NATIONAL BANK, of Springfield, to recover an unpaid balance in a bond case of several years ago. Mr. J. D. SAFFORD, while cashier of the FIRST NATIONAL, bought some government bonds and sent them to the HIDE AND LEATHER BANK to be sold. They proved to be a skillfully executed counterfeit, and the HIDE AND LEATHER had to meet the loss, part of which has been made up It now "comes back" on the FIRST NATIONAL for the remainder, placing *ad damnum* at $4,000. Although sent to the city by Mr. SAFFORD as from his bank, the bonds were his personal property, and he is consequently the real defendant in the suit.

INFLATION.—The Boston *Advertiser* has been at some pains to classify the principal newspapers of the country upon the currency question, and the result can give no consolation to the inflationists. In NEW ENGLAND there is not a single newspaper that favors inflation. In the Middle States there is but one of any influence, the Philadelphia *Press*, that believes in printing an unlimited amount of promises to pay. In the Southern States the leading newspapers are about equally divided, and in the Western States the same rule holds with regard to the average newspapers, while a majority of the ablest ones are emphatically against inflation. The newspapers in the Pacific States are unanimous for "hard money;" they use paper money only in exceptional cases, and do not propose to invite over-speculation and panics by flooding the market with irredeemable currency. The press of the country represents the public sentiment better than any other agency can, and there is reason to believe that the majority in Congress understands this. At any rate that body is more conservative than when it met in December, and every day's delay and discussion tend to enlighten it. Congressmen who read the leading newspapers of the country cannot seriously err in such questions.

SAFES AND SAFETY.—It is not always that "safes" are safe, as several "prominent citizens" of New York are likely to discover to their cost. Two partners in the manufacture of safes having quarreled, and having brought their case into court, it was discovered that members of the late "Tammany Ring" had freely ordered safes and sideboards for themselves and friends, "which were delivered with the understanding that they were not to be paid for" The value of property thus disposed of amounted to about $60,000, so that the phrase "not to be paid for" is to be understood only in a Pickwickian sense. The New York City Treasury paid in one way, and Tammany paid rather heavily in another, for all that its members or friends got, only that the medium of exchange was not always money; and now even the safes rise up in judgment against Tammany when the Sachem is in the Penitentiary.

GREAT TREASURE TROVE.—A case of long standing has just been decided by the Tribunal of the Seine. In 1867, as some repairs were going on at the Lycée HENRI IV., behind the Pantheon, a workman discovered a large number of Roman coins in a sewer. The law awards, in such cases, one-half of the value to the finder, and the other half to the proprietor of the ground, in this instance, the city. The contractor, in whose employ the workman was, stepped in claiming his share; but he has now been non-suited, and the municipality have paid the finder the sum of 18,292 francs for his half of the treasure, which is now deposited at the Musée Carnavalet. This establishment, founded by the city in the old hotel of Mme. DE SEVIGNE, has thus come into possession of a ready-made collection of upward of 800 gold medals, all of the size which numismatic antiquaries call the *aureus*, answering to the twenty-franc piece, but of a value one-third higher. They form a series pertaining to the history of LUTETIA, from the reign of CLAUDIUS to that of SEP-

TIMIUS SEVERUS; with very few interruptions it comprises all the emperors and empresses of that period, viz.: within the years 41 and 193 of our era. They are all in perfect preservation; those nearest the time at which the collection was buried look as if they had just come from the mint; such as those of COMMODUS, PERTINAX, and especially SEPTIMIUS SEVERUS. The most brilliant period of the monetary art, that of the Antonines, is amply represented; the two Faustinas are frequently repeated. There are more than fifty Vespasians; of TITUS there are fewer, but there is one, with the exergue—*Divus Titus* on the obverse, and the sella curulis on the reverse, with the thunderbolt, which is extremely valuable. There is a JULIA DOMNA, mother of CARACALLA; an ÆLIUS CÆSAR; two or three PLOTINÆ; which are extremely rare, an *aureus* of ANTONINUS PIUS, with the exergue, *Concordiæ æternæ* on the reverse, &c. This treasure must have been hid about the year 193. There evidently were at that time collectors of old medals as there are now.

THE NATIONAL BOARD OF TRADE.—At the recent meeting of the National Board of Trade, at Baltimore, the following resolutions were adopted:

Resolved, First. That the National Board of Trade respectfully recommend to Congress that there shall be no further issue of irredeemable paper money whatsoever.

Second. That, in the opinion of this Board, it is the first duty of the Government to provide for the retirement and cancellation of so much of the legal-tender issue as has been taken from the so-called forty-four million reserve.

Third. That it is the imperative duty of the Government to restrict its expenditures in every department of the public service to the lowest possible point; and that strict economy be instituted in all appropriations.

Fourth. That Congress be requested to so amend the National banking law that the banks shall be compelled to hold the coin they receive for interest on their bonds hypothecated as security for their circulation, as a part of their reserve, until their reserves in coin shall be equal at least to thirty (30) per cent. of their circulation.

Currency.—Inflationists will find little comfort in the action of the National Board of Trade, now in session at Baltimore. Nearly all of the Western delegates who spoke on the question of the National debt (and there were several) indignantly repudiated the charge that the West is in favor of an increase in the currency. The result of a long debate was the adoption of a series of resolutions condemning inflation, recommending the withdrawal of the issues from the so-called "reserve," and recommending economy. This is a healthy sign of the times; currency-tinkers in Congress and elsewhere will please take notice.

New York.—A dividend of fifty per cent. was payable on and after March 9, by ISAAC H. BAILEY, Receiver of the BANK OF COMMONWEALTH. Mr. BAILEY has decided not to offer the building of the bank for sale until there is a greater demand for desirable real estate. At the recent offering of the property of the bank the highest bid was considered hardly more than half the value, and the Receiver has determined not to sacrifice the property.

North Pacific Railroad.—For the information of the bondholders and other creditors of the suspended North Pacific Road, we copy the following from the Philadelphia *Inquirer:*

The Northern Pacific Railroad has been completed, equipped, and put in successful operation from Duluth, the extreme westerly end of Lake Superior, to Bismarck, on the Missouri River, a distance of 452 miles, and from Kalama, on the Columbia River, to Tacoma, on Puget Sound, a distance of 105½. At Kalama communication is extended up the Columbia river a distance of 400 miles by means of the Oregon Steam Navigation Company, thus affording direct means of communication and transportation between the Territories of IDAHO and WASHINGTON and the State of OREGON with the navigable waters of the Pacific. With great care, and after most particular investigation, examination and surveys, Tacoma has been selected as the Pacific terminus of the Northern Pacific Railroad. It is finely situated on Commencement Bay, an excellent harbor in Puget Sound, and already has assumed the usual appearance of a growing city. The commodious wharves of the railroad company,

the tracks and railroad connections, are far advanced toward completion, and will afford all the necessary facilities which will be required by the immense business that must centre at this point.

Legal Tender.—The following is the text of the bill which passed the House of Representatives on Monday, March 23, and now goes to the Senate:

A Bill to Fix the Amount of Legal-Tender Notes at $400,000,000.

Whereas, The existing uncertainty as to whether the amount of legal-tender notes now authorized by law to be kept in general circulation is $356,000,000, or $400,000,000, is calculated to derange the business of the country and unsettle values; therefore,

Be it enacted, &c., That the provisions of law existing prior to the passage of the act approved April 12, 1866, entitled "An act to amend an act to provide ways and means to support the Government," approved March 3, 1865, be and the same are hereby declared to be in force, so as to authorize the amount of legal-tender notes of the UNITED STATES to the amount of $400,000,000 to be kept in general circulation, and the total amount of UNITED STATES notes, issued or to be issued, shall never exceed $400,000,000.

ARKANSAS.—Messrs. GEORGE BRODIE & SON have established a banking house at Little Rock, ARKANSAS, as successors to Mr. S. H. TUCKER. Their correspondents are as follows: IMPORTERS AND TRADERS' NATIONAL BANK, New York; MERCHANTS' NATIONAL BANK, Boston; NATIONAL BANK STATE OF MISSOURI, St. Louis; UNION AND PLANTERS' BANK, Memphis, TENN.; BANK OF AMERICA, New Orleans, LA. *(See their card on the cover of this work.)*

CALIFORNIA.—The BANK OF UKIAH has been chartered this year by the legislature of CALIFORNIA, to be located in Ukiah city, Mendocino County, with a paid capital of $125,000. President, AUGUSTUS F. REDEMEYER; Cashier, SAMUEL WHEELER. They refer to and draw upon the NATIONAL GOLD BANK AND TRUST CO. of San Francisco.

San Francisco.—The BANK OF SAN FRANCISCO has commenced business at No. 215 Sansome street, San Francisco, under a State charter, with a capital stock of $1,000,000. FRANK M. PIXLEY, Manager; N. P. COLE, President. The capital, it is announced, will be wholly invested in real estate.

COLORADO.—The PEOPLE'S NATIONAL BANK OF PUEBLO, Pueblo County, COLORADO, (No. 2134), was organized in February, and takes the place of the PEOPLE'S BANK of that place. WILLIAM A. OFFENBACHER, President; JOHN R. LOWTHER, Cashier. Capital, $50,000. Their New York correspondents are Messrs. DONNELL, LAWSON & CO., No. 4 Wall street.

GEORGIA.—The holders of over-due bonds of the State of GEORGIA are notified by the State Treasurer, under date March 10, 1874, that their bonds must be presented for payment at the State Treasury in Atlanta, GA.: whereupon, if genuine, those payable in New York or elsewhere out of the State of GEORGIA, will be paid by check on New York if desired; those payable at the State Treasury or elsewhere in GEORGIA will be paid in currency at the Department or by check on Athens, Augusta, Savannah, Macon or Columbus, as the holder may prefer. No interest will be allowed or paid after 31st March, 1874.

ILLINOIS.—Of the petition presented by Senator LOGAN to the Senate U. S., in favor of inflation, purporting to contain "nineteen hundred respectable citizens of Chicago," the Chicago *Tribune* says a careful perusal of the names attached failed to lead to the discovery of the signature of any well-known resident of that city. The business men there are as a body opposed to inflation, as are the sensible business men of the whole country.

Peoria.—Mr. T. G. MCCULLOH, hitherto assistant cashier, was, in January last, elected Cashier of the SECOND NATIONAL BANK OF PEORIA. Mr. LEWIS HOWELL remains President, and Mr. GEO. H. MCILVAINE, Vice-President, of the institution.

Rockford.—Mr. MELANCTHON STARR, hitherto Cashier of the WINNEBAGO

NATIONAL BANK, Rockford, ILLINOIS, was, in January last, elected Vice-President, and is succeeded by Mr. WILLIAM T. ROBERTSON as Cashier. Mr. CHANDLER STARR was at the same time elected Assistant Cashier.

INDIANA.—Fort Wayne, IND., January 6.—The annual election of directors and officers of the FORT WAYNE NATIONAL BANK took place in January. The directors elected are as follows: JESSE L. WILLIAMS, PLINY HOAGLAND, O. P. MORGAN. MONTGOMERY HAMILTON, and S. B. BOND. Officers: S. B. BOND, President; PLINY HOAGLAND, Vice-President; J. D. BOND, Cashier. The office of president was made vacant by the death of CHARLES D. BOND, a few weeks since.

IOWA.—In our March No., p. 749, it was stated that paper maturing on Sundays and holidays may be legally paid on the day subsequent. This statute, we learn, is superseded by the new code of 1873, which provides (section 2094), any bank or mercantile paper falling due on any of the above-named days (holidays), shall be considered as falling due on the preceding (business) day. Section 2093 of the new code also provides that a "demand at any time during the days of grace will be sufficient for the purpose of charging the endorser."

KANSAS.—The title of the GERMAN BANK, at Atchison, will hereafter be the GERMAN SAVINGS BANK. President, GEORGE STORCH; Vice-President, ROBERT FORBRIGER; Cashier, JOHN BELZ. Their card may be found in the BANKER'S ALMANAC for 1874.

Oswego.—Messrs. BROCKWAY & DRAPER have established a banking house at Oswego, Labette County, KANSAS, and are prepared to make collections throughout that State. *(See their card on the cover of this work.)* Their correspondents are the THIRD NATIONAL BANK OF ST. LOUIS; and Messrs. J. J. CISCO & SON, New York.

KENTUCKY DIVIDENDS.—The BANK OF KENTUCKY and the NORTHERN BANK OF KENTUCKY each announces a semi-annual dividend of five per cent., and the BANK OF LOUISVILLE a semi-annual dividend of three per cent., all payable on demand, to Philadelphia shareholders, at the BANK OF NORTH AMERICA, and at the BANK OF AMERICA, New York, to New York shareholders.

MARYLAND.—JOHNS HOPKINS.—The City Council of Baltimore has passed a resolution for the erection of a monument to the memory of JOHNS HOPKINS, the rich merchant and philanthropist and President of the MERCHANTS' NATIONAL BANK, whose death was announced on Christmas morning. It would be a becoming mark of gratitude to one of the most munificent benefactors a city ever had; but it is not needed to perpetuate his fame, for Mr. HOPKINS has founded, by his will, a memorial more splendid than the chisel of the sculptor could ever create. His estate was valued at about $ 10,000,000, and of this amount he has set apart more than $6,000,000 for charitable purposes. Most of the money is divided between two magnificent foundations, a university and a hospital. The university is to embrace schools of law, medicine, science, and agriculture. The hospital is to take in the poor and suffering without distinction of age, sex, creed or color. There are to be free beds for 400 or 500 sick, a separate building for convalescents, a training school for nurses, a home for 400 colored orphans, and the grounds surrounding the hospital will be laid out as a public park.

MASSACHUSETTS.—At the annual election in January last. Mr. J. T. BURR was elected President of the NATIONAL BANK OF NORTH AMERICA, Boston, in place of Mr. R. W. SHAPLEIGH, who declined a re-election. Mr. JOHN K. HALL remains Cashier.

MICHIGAN.—The NATIONAL BANK OF TECUMSEH, located at Tecumseh, in the State of MICHIGAN, is closing up its affairs. All note holders and other creditors of said association are notified to present the notes and other claims against the association, for payment.

MINNESOTA. — Mr. J. B. SANBORN has been elected Vice-President of the

GERMAN-AMERICAN BANK, at St. Paul. The paid capital of this bank is $200,000. Mr. F. WILLIUS, President; GUSTAV WILLIUS, Cashier. Their New York correspondent is the CHEMICAL NATIONAL BANK.

MINNESOTA.—The stigma of repudiation is fixed upon the State of MINNESOTA by Judge DILLON, of the United States Circuit Court, in his recent decision dismissing the suit of SELAH CHAMBERLAIN, of Cleveland, against the St. Paul and Sioux City and the Southern Minnesota Railroads, for a million dollars in Minnesota bonds, which Mr. CHAMBERLAIN claims that the companies named ought to pay as successors to the companies for which he did work as a contractor, receiving these bonds as compensation. The Judge, finding that the State granted a clear title to the new companies, dismissed the suit, but in doing so made this remark, which MINNESOTA ought to know is far from a favorable inscription upon her escutcheon:

"If the State were suable in the courts, there can be no doubt that the bonds would be legally enforceable against it. Justice and honor alike required the State to recognize these bonds as binding upon it, and in the end the court cannot doubt that the people of the State will so ordain. A State, with such a future before it as the State of MINNESOTA, cannot afford to bear the odium of repudiation, and if there are no other difficulties in the plaintiff's way except the suggested one, that his bonds are invalid, he will be entitled to the relief demanded."—*Cleveland Leader.*

MONTANA.—The capital of the PEOPLE'S NATIONAL BANK OF HELENA, MONTANA, has been increased to $100,000. President, GEORGE W. FOX; Cashier, C. J. LYSTER.

NEBRASKA.—The OMAHA NATIONAL BANK has increased its capital to $200,000. The officers for the present year are: EZRA MILLARD, President; J. H. MILLARD, Cashier; WILLIAM WALLACE, Assistant Cashier. Their New York correspondent is the CHEMICAL NATIONAL BANK.

NORTH CAROLINA.—The COMMERCIAL BANK OF CHARLOTTE, N. C., (No. 2135), was organized in February with a present capital of $50,000, limited to $100,000. President, C. DOWD; Cashier, R. M. MILLER.

NEW YORK.—The MERCHANTS' NATIONAL BANK OF BINGHAMTON, Broome County, N. Y., (No. 2036), was organized under a charter in February, with a present capital of $100.000, limited to $500,000. President, ERASTUS ROSS; Cashier, GEORGE M. BURR. Their New York correspondent is the IMPORTERS & TRADERS' NATIONAL BANK.

Albany.—In the State Senate, January 23d, a report was received from the judiciary committee adversely to the bill allowing a rate of interest equal to twelve per cent. in the city of New York. Mr. KING argued in favor of the bill. He would go further, and leave the borrower and lender to fix their own rates. The reports were agreed to and the bill rejected.

A report was made by Senator LEDWITH—To incorporate the American Mortgage Company. Mr. LEDWITH'S bill names, as first corporators of The American Mortgage Company, WILLIAM B. OGDEN, CHARLES BUTLER, ROBERT B. ROOSEVELT, CHARLES J CONDOR, W. L. SCUDDER, Jr., and WILLIAM B. DRAPER. The capital stock is $1,000,000. The company may loan money on personal property, &c.

Troy.—At a meeting of the Board of Directors of the CENTRAL NATIONAL BANK OF TROY, NEW YORK, held February 7th, GEORGE C. BURDETT was unanimously elected President, vice J. LANSING VAN SCHOONHOVEN, resigned, and MOSES WARREN was elected Vice-President in place of GEORGE C. BURDETT, chosen President. Mr. A. W. WICKES remains Cashier.

Cuba.—The capital stock of the CUBA NATIONAL BANK, Alleghany County, was increased, in January last, to $150,000. President, E. D. LEVERIDGE; Cashier, GABRIEL BISHOP.

OHIO.—The TIFFIN SAVINGS BANK has increased its capital to $100,000, with current deposits amounting to $94,000. J. G. GROSS, President; G. W. BACHMAN, Vice-President; D. P. DILDINE, Cashier; J. A. BLAIR, Assistant Cashier. Their New York correspondent is the AMERICAN EXCHANGE NATIONAL BANK.

PENNSYLVANIA.—The twenty-second of February being one of the holidays designated by law of the commonwealth, with provision that when that day comes on a Sunday it is to be observed the next succeeding Monday, was celebrated this year on Monday, the 23d. The Custom House, the office of the U. S. Assistant Treasurer, the U. S. Mint, the City Treasury, the courts, all the public offices, the banks and trust companies, were closed for the day. The Board of Brokers also adjourned over from Saturday evening until the usual hour of meeting on Tuesday. This being the first occasion the law has sanctioned the commemoration, in PENNSYLVANIA, of WASHINGTON'S birthday on the 23d of February.

Boyerstown.—The NATIONAL BANK OF BOYERSTOWN, Berks County, (No. 2137), was organized in March, with a present capital of $50,000. President, THOMAS J. B. RHOADS; Cashier, W. A. MORY.

SOUTH CAROLINA.—The CITIZENS' SAVINGS BANK, located at Columbia, S. C., has gone into bankruptcy, together with the nine branches, which were located at Abbeville, Charleston, Camden, Laurens, Newberry, Orangeburg, Spartanburg, Sumter, Yorkville.

TENNESSEE.—Notice has been given that the Treasurer of the State of TENNESSEE will pay, on presentation, the coupons due July 1, 1874, with rebate of interest. No interest will be paid on bonds that have not been registered or funded under the recent law.

CANADA.—A charter will be sought of Parliament for the LONDON AND COUNTY BANK, with a capital of $1,000,000, and with the head office in London, ONT.

The Provisional Directors of the STADACONA BANK are Messrs. W. DRUM, P. GARNEAU, J. L. GIBB, J. LAIRD, A. P. CARON, J. W. HENRY, S. B. FOOTE, F. GERNEAU, O. LAURANGEAU and T. H. GRANT. They give notice that the stock book will be closed on the 20th inst.

Union Pacific R. R. Co.—At the annual meeting of the stockholders of the Union Pacific Railroad, March 11th, at Boston, the following directors were chosen:

Oliver Ames, North Easton; James Duff, Boston; Elisha Atkins, Boston; Sidney Dillon, New York; L. P. Morton, New York; F. Gordon Dexter, Boston; Benjamin E. Bates, Boston; Oliver Ames (second), North Easton; James D. Smith, New York; Charles J. Osborn, New York; George S. Scott, New York; Samuel L. Mills, New York; Jay Gould, New York; E. H. Baker, Boston; J. Richardson, New York.

At a meeting of the directors held subsequently, the following officers were chosen: President, Mr. SIDNEY DILLON, of New York; Vice-President, Mr. ELISHA ATKINS, of Boston; Secretary and Treasurer, Mr. E. H. ROLLINS, of Boston.

TRIAL.—CHARLES CALLENDER, the ex-Bank Examiner, who is charged with having, in consideration of a bribe of $119,000, made, on the 3d of September, 1871, a false return of the affairs of the OCEAN NATIONAL BANK, representing it to be in a flourishing condition, when its books showed it to be insolvent, was placed on trial, in March, in the Criminal Branch of the United States Circuit Court, before Judge BENEDICT. The defence is, that the report was made in good faith from exhibits furnished by the bank officers, and that the so-called bribe was nothing more than a regular business transaction with the bank, involving loans to CALLENDER on stocks, &c.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from March Number, page 755.)

☞ Additions for this list are solicited from the subscribers to this work.

NEW YORK CITY.

Bacon Brothers,
P. W. Harding & Co.
Andrew Stuart & Co., 34 Pine.
Ewen & Tuttle.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Little Rock, Ark.	George Brodie & Son	Importers & Traders'.
Helena, "	Nelson & Hanks	Henry Talmadge & Co.
Camden, "	Tyra Hill	Ninth National Bank.
San Francisco, Cal.	Bank of San Francisco	*(None.)*
Granada, Col.	Chick, Browne & Co	Hanover National Bank.
Bowen, Ill.	Z. S. Pratt	Ninth National Bank.
Pontiac, "	First National Bank	....
Sparta, "	Borders & Boyle,	Drexel, Morgan & Co.
Lafayette, Ind.	John S. Williams & Co	....
Plymouth, "	Buck & Toan	Importers & Traders'.
Albion, "	William M. Clapp	Allen, Stephens & Co.
Sabetha, Kansas	Milo L. Mather	Donnell, Lawson & Co.
Topeka, "	Kansas Valley Bank	....
Atchison, "	German Savings Bank	Merchants' Exchange N.B.
Eureka, "	Martindale, Tucker & Co	National Trust Co.
Oswego, "	Brockway & Draper	John J, Cisco & Son.
New Orleans, La.	Citizens' Savings Bank	....
Albion, Mich.	Albion Exchange Bank	Metropolitan National B'k.
Adrian, "	Adrian Savings Bank	*(None.)*
" "	Lenawee County Bank	*(None.)*
Olivet, "	George W. Keyes	Ninth National Bank.
Wyandotte, "	Wyandotte Savings Bank	*(None.)*
Cedar Springs, "	H. C. Russell & Co	Nassau Bank.
Detroit, "	Cromwell & Ralston	Chatham National Bank.
" "	T. S. Darling & Co	Kountze Brothers.
Hastings, Minn.	Howes Brothers	National Bank Commerce.
Grenada, Miss.	R. Mullen	Ninth National Bank.
St. Louis, Mo.	James Edwards & Co	....
Weston, "	Weston Savings Bank	Donnell, Lawson & Co.
St. Louis, "	P. F. Keleher & Co	E. Kelly & Co.
Kansas City, "	First National Bank	*(Resumed business.)*
Schuyler, Neb.	Sumner, Smith & Co	Saunders & Hardenbergh.
Norfolk, "	J. & C. P. Mathewson	" "
Binghamton, N. Y.	Merchants' National Bank	Importers & Traders'.
Brockport, "	Allen & Kingsbury	....
Toledo, Ohio	Raynor & Seagrave	Merchants' Exchange N.B.
Marysville, "	People's Bank	....
Pittsburgh, Pa.	Union Savings & Deposit Bank	C. B. Richard & Boas.
Philadelphia, "	Dunn, Smyth & Co	James T. Bates & Co.
Allegheny, "	Girard Savings Bank	*(None.)*
Alexandria, Va.	German Banking Co	....
Martinsburg, "	People's Dep. Bank	....
Neillsvile, Wis.	Clark County Bank	....

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from March No., page 754.)

April, 1874.

Banks are requested to furnish prompt notice of any future changes.

Name of Bank.	*Elected.*	*In place of*
National Bank Huntsville, ALA...	Joseph Martin, *Cash.*....	*T. Lacey.
Merchants & Planters' Nat. Bank of Augusta, GEO.	T. P. Branch, *Pres.*.....	C. J. Jenkins.
First Nat. Bank, Kewanee, ILL..	Charles C. Blish, *Pres.*...	Elias Lyman.
First Nat. Bank, Geneseo, "	James McBroom, *Pres.* ..	Andrew Crawford.
Winnebago Nat. B'k, Rockford, "	Wm. T. Robertson, *Cash.*	M Starr.
Second National Bank, Peoria, "	T. G. McCulloh, *Cash.* ..	W. B. Hotchkiss.
First Nat. Bank, Cambridge. IND.	John Kepler, *Pres.*	John Callaway.
" " "	John Jackson, *Cash.*.....	Thomas Newby.
Citizens' B'k, North Topeka, KAN.	T. B. Sweet, *Pres.*	Charles J. Lovejoy.
Capitol Bank, Topeka, "	P. J. Bonebrake, *Pres.* ..	John D. Knox.
Bank of Newcastle, KENTUCKY..	Geo. C. Castleman, *Pres.*	Isaac N. Webb.
Citizens' Bank, Louisville, " ..	G. H. Cochran, *Vice-Pres.*	....
Wamesit Nat. Bank, Lowell, MASS.	Geo. W. Knowlton, *Cash.*	John H. Buttrick.
Eliot National Bank, Boston, "	Wm. H. Goodwin, *Pres.*..	John Demeritt.
Nat. Bank N. America, " "	J. T. Burr, *Pres.*.........	R. W. Shapleigh.
First National Bank, Woburn, "	E. D. Haydon, *Pres.*....	J. B. Winn.
Pittsfield National Bank, "	Julius Rockwell, *Pres.*...	John V. Barker.
Teutonia Nat. B., New Orleans, LA.	J. J. Tarleton, *Cash.*	J. M. Wagner.
First Nat. B'k, Port Huron, MICH.	D. P. Hampton, *Pres.*...	Henry Howard.
Capital State Bank, Jackson, MISS.	Thomas E. Helm, *Pres.* .	....
German-Amer. B'k, St. Paul, MINN.	J. B. Sanborn, *Vice-Pres.*	....
State Nat. Bank, Lincoln, NEB...	L. C. Richards, *Cash.* ...	N. C. Brock.
First Nat. Bank, Concord, N. H..	William F. Thayer, *Cash.*	William W. Storrs.
Central Nat. Bank, Troy, N. Y..	Geo. C. Burdett, *Pres.*...	J. L. Van Schoonhoven.
Second Nat. B'k, Cooperstown, "	G. Pomeroy Keese, *Pres.*	J. P. Sill.
Farmers' Nat. Bank, Malone, "	Darius W. Lawrence, *Pres.*	A. W. Ferguson.
North Granville Nat. Bank, "	Isaac V. Baker, *Pres.*....	R. G. Dayton.
National Bank, Fayetteville, "	Hiram Eaton, *Pres.*......	D. E. Hurd.
First Nat. Bank, Coshocton, O..	Jackson Hay, *Pres.*......	Thos. C. Ricketts.
" " " "	Henry C. Herbig, *Cash.*..	Baxter Ricketts.
Citizens' Nat. Bank, Urbana, "	Oliver Taylor, *Pres.*..	J. B. Armstrong.
Logan Co. Bank, West Liberty, "	Samuel Taylor, *Pres.*.....	*R. E. Runkle.
Citizens' Bank, Philadelphia, PA..	John Wiegand, Jr., *Pres.*.	Geo. De B. Keim.
Mechanics' Nat. B'k, " "	John Rommel, Jr., *Cash.*.	John Wiegand, Jr.
Emmet Bank, Memphis, TENN....	Wm. Y. Hamlin, *Cash.*...	John Loague.
First Nat. Bank, Springfield, VT..	Samuel Alford, Jr., *Pres.*.	*Henry Barnard.
National Bank of Barre, "	Charles A. King, *Cash.*...	W. G. Austin.

The BANKER'S MAGAZINE *contains a monthly list of recent changes of President and Cashier, for the information of bankers at a distance. Subscribers are requested to give us notice of future changes. No charge is made for such announcements in this work.*

* Deceased.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from March No., page 756.)

NEW YORK CITY.

Bacon Brothers & Starr.
Day & Morse.
S. J. Curtis & Co.
Kingon & Comyngs.
S. A. Gaylord & Co., 33 Wall.
Grinnell & Nevers.
David Groesbeck & Son.
Smith & Harding.
E. O. & O. C. Read.
Ewen, Tuttle & Hilger.
Seaman & Vanschoonhoven.
A. D. Williams & Co.
Wollberg & Co.
White, Defreitas & Rathborn.

ILLINOIS.—Z. S. Pratt, *Newman;* (removed to Buren, Hancock Co., ILLS.) Phelps & Tracy, *Elmwood.*

INDIANA.—Princeton Banking Co., (succeeded by Gibson County National Bank.)

IOWA.—Ockerbock Brothers, *Corydon.*

MICHIGAN.—City Bank, *Detroit.* The National Bank of Tecumseh, (*voluntary liquidation.*)

KANSAS.—Chetopa Savings Bank, First National Bank, *Topeka;* German Savings Bank, *Leavenworth;* Scott & Co., *Leavenworth;* Shawnee County Bank, *Topeka.*

KENTUCKY.—Branch Bank of Louisville, *Paducah.*

MISSOURI.—S. A. Gaylord & Co., *Saint Louis.*

MINNESOTA.—H. A. Hills & Co., *Brainerd;* How, Strait & Co., *Carver.*

NEW YORK—George W. McDowell, *Bath.*

CANADA.—Taylor & Minty, *Hamilton;* J. Fairbairn & Son, *Montreal.*

COLORADO.—Chick, Browne & Co., *Kit Carson.*

GEORGIA.—A. B. Phelps, jr., *Madison;* (*failed.*)

OHIO.—Scott & Hamilton, *Waynesburg.*

SO. CAROLINA.—Citizens' Savings Bank, *Charleston; Columbia; Laurens; Newberry; Spartanburg; Sumter; Yorkville; Abbeville; Camden;* (*in bankruptcy.*)

TEXAS.—W. Jackusch & Co., *Galveston,* (*failed.*)

The BANKER'S MAGAZINE *contains a monthly list of discontinuances, failures, &c., among banks and bankers. Subscribers are requested to give early information of all such changes hereafter.*

NOTES ON THE MONEY MARKET.

NEW YORK, MARCH 24, 1874.

Exchange on London, at sixty days' sight, 4.84 *a* 4.86 *for gold.*

The market has been steady during the month of March, with a tendency to lower rates on loans. Capital is rapidly accumulating again at New York from the country towns, giving ample supply for ordinary business demands, and contributing largely towards speculation at the Stock Exchange. The import trade is also encouraged by the easy condition of money affairs in this country and in England. We hear of loans on demand as low as three per cent. on Government Securities, and at four to five on first-class railroad bonds. The currency debate in Congress has not yet reached its conclusion; the friends of a solid currency and the abettors of increased paper not having yet agreed upon a Compromise Bill.

During the long debates in Congress this year, a loud appeal has been made for MORE MONEY for the West and South, as if Congress had the power to create money for those who want it. This has been the argument with many in defence of a proposition for more paper issues. Now it is very obvious that the creation of forty or fifty or one hundred millions more of paper dollars would afford no aid to places now deficient in capital. All such new issues, if created, would fall into the channels where ample capital exists. They would make the rich richer, and the poor would become more poor by the inevitable rise in prices of commodities. A rise in the price of gold would certainly follow, and an unavoidable rise in the market value of foreign goods, with large importations.

The public Treasury calls out for more paper money, because the Treasury requires heavy duties on heavy importations. Thus the country contributes towards foreign labor, and refuses to liquidate the debt created as a war measure. The immense volume of legal tenders (480 millions) lies like an incubus upon the industry and trade of the country, and exposes us to the charge of dishonesty in the payment of our cash liabilities.

Foreign exchange remains nominally steady for this week's steamers. Prices of bankers' 60 days' sterling bills, $4.84 *a* $4.85; do. at short sight, $4.87½ *a* $4.88. We quote: Bills at 60 days on London, 4.82 *a* 4.83½ for commercial; 4.84 *a* 4.85 for bankers'; do. at short sight, 4 87½ *a* 4.88; Paris at 60 days, 5.23¾ *a* 5.18¾; do. at short sight, 5.15⅝ *a* 5.14⅜; Antwerp, 5.25 *a* 5.20; Swiss, 5.25 *a* 5.20; Hamburg, 4 Reichsmark, 95 *a* 95⅝; Amsterdam, 40⅜ *a* 40¾; Frankfort, 40½ *a* 41; Bremen, 4 Reichsmark, 95 *a* 95⅝: Prussian thalers, 71¼ *a* 71¾. We annex comparative rates for four months:

Sixty days Bills.	*Dec. 22.*	*Jan. 21.*	*Feb. 24.*	*Mar. 24.*
On London, bankers' ..	108⅜ *a* 108⅝ ..	4.82 *a* 4.83 ..	4.82 *a* 4.83½	4.84 *a* 4.85
" commercial..	108 *a* 108½ ..	4.80 *a* 4.82 ..	4.84 *a* 4.85 ..	4.82 *a* 4.83
Paris, francs, p. dollar....	5.28¼ *a* 5.20 ..	5.27½ *a* 5.21¼ ..	5.23¾ *a* 5.17½	5.23¾ *a* 5.18¾
Amsterdam, p. guilder...	40¼ *a* 40¾ ..	40⅛ *a* 40¾ ..	40½ *a* 41 ..	40⅜ *a* 40¾
Frankfort, p. florin.......	40⅝ *a* 41⅛ ..	41⅝ *a* 41⅛ ..	40¾ *a* 41¼ ..	40½ *a* 41
Hamburg. p. 4 R'mark...	94⅝ *a* 95⅜ ..	95 *a* 95¾ ..	95 *a* 95⅞ ..	95 *a* 95⅝
Prussian thalers.........	71 *a* 71¾ ..	71 *a* 71⅞ ..	71¼ *a* 72 ..	71¼ *a* 71¾

The bank returns for the month show a steady column of loans and a slight reduction in deposits. The volume of legal tenders again shows a decline—when public policy demands that they should be increased steadily until they assume twenty-five per cent. of the cash liabilities. The latter are represented to be 266 millions at this date.

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$ 257,852,460	$ 12,794,892	$ 65,026,121	$ 32,762,779	$ 202,533,564	$ 466,987,787
Jan. 4, '68	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69	259,090,057	20,736,122	48,896,421	34,379,609	180,490,445	585,304,799
Jan. 3, '70	250,406,387	31,166,908	45,034,608	34,150,887	179,129,394	399,355,375
July 4	276,496,503	31,611,330	56,815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71	263,417,418	20,028,846	45,245,358	32,153,514	188,238,995	467,692,982
July 3	296,237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
Feb. 3	286,879,600	18,612,200	45,802,100	27,501,000	217,168,500	661,411,941
April 7	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
July 7	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
Sept. 1	288,883,090	23,095,200	44,729,300	27,281,900	220,390,300	447,799,948

Ten weeks' intermission to Bank Reports.

Dec. 8	252,373,500	21,158,600	38,214,000	27,186,100	182,015,300	419,721,752
Jan. 5, '74	261,135,400	28,395,600	46,458,100	27,186,300	205,399,500	361,517,913
Feb. 2	269,995,800	33,342,100	58,877,700	26,898,800	233,119,800	422,936,392
Mar. 2	282,555,700	26,488,300	61,915,000	26,775,100	239,864,300	333,261,105
" 9	286,787,200	28,074,100	61,655,100	26,907,800	244,199,300	475,940,199
" 16	285,717,100	27,914,300	61,652,600	26,720,900	243,238,500	421,249,894
" 23	285,866,200	26,696,000	60,184,400	26,717,300	240,991,100	410,207,171

The Boston banks have a combined capital of $ 50,040,000, with fifty-one National banks. The loans by the Boston Banks are in excess of those recorded early in the year. The deposits are also larger than early in 1874. We annex the latest returns and a comparison with former years:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$ 94,969,249	$ 1,466,246	$ 15,543,169	$ 24,626,559	$ 40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8	112,164,800	2,740,100	9,471,800	24,877,000	48,875,500

The deposits after this date include the amount due to other banks.

Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
Feb 3	125,088,700	2,253,300	11,507,300	25,485,800	77,272,500
April 7	120,001,600	922,600	8,939,300	25,519,400	64,623,200
July 7	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
Sept. 1	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Oct. 6	119,468,000	1,363,400	8,308,100	25,948,400	55,913,400
Nov. 3	119,788,400	1,849,400	9,045,400	26,139,100	59,399,200
Dec. 1	119,483,400	2,612,200	10,559,300	26,049,300	62,779,200
Jan. 5, 1874	124,287,100	3,513,800	10,466,300	25,791,600	70,219,200
Feb. 2	125,276,300	4,244,300	11,244,400	26,641,900	73,374,100
" 23	126,924,600	3,647,100	10,654,600	25,564,700	76,119,400
March. 2	126,491,900	3,481,600	10,904,000	25,567,600	75,969,000
" 9	127,005,900	3,509,900	10,885,100	25,525,900	75,782,400
" 16	127,640,744	3,339,400	10,670,400	25,491,200	75,691,400
" 23	127,425,000	3,162,800	10,700,400	25,483,400	75,874,000

The Philadelphia banks show again a slight decline in legal tenders. instead of maintaining a stronger position. Their deposits and loans are uniform. We annex the comparative returns for four years. There are 29 institutions. with a combined capital of $16,935,000

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868 ...	$52.002,304	$235,912	$16.782,432	$10.639.000	$36.621,274
" 4, 1869 ...	50.716,999	252.483	13,210.397	10,593.719	38,121.023
" 3, 1870 ...	51,662,662	1,290,096	12,670,198	10,568,681	38.890.001
" 2. 1871 ...	51,861,827	1,071,528	12,653.166	10.813.212	38.660,403
" 1, 1872 ...	55,631,723	1,069.585	11,228,988	11,348.851	42.049.757
July 1, " ...	59.659 324	228.338	13.952,002	11.345,868	50 021,793
Jan. 6, 1873 ...	55.370,011	424.458	10,576.155	11.331,579	40,861,114
Feb. 3, " ...	57.062.437	352.775	10,599 532	11,370,253	42.120,451
April 7, " ...	57,075.617	130,936	9 663.471	11,475.119	40.124 310
July 7, " ...	60,480,403	322 626	14.513 757	11,431 847	48,200.545
Sept. 1, " ...	59.317,093	208,580	13.348.119	11,454.680	45,089.892
Nov. 24, " ...	58,194,000	959,000	14.741.000	11,519.000	45 847.000
Dec. 1, " ...	57,724,144	754 097	14,900,484	11,546,740	45.759,626
Jan. 5, 1874 ...	57,772,523	1,173,796	15,353.571	11,481.558	48,378,204
" 26, " ...	57,308,854	1,129.756	16,958,299	11.457.749	47.764.664
Feb. 2, " ...	57,170.073	1 002.109	17,530,254	11,450,353	48 618,062
" 9, " ...	57.633.773	1,167,097	17.493,089	11,448,122	47,834.706
" 16, " ...	58,037.506	984,044	17,427.908	11,469.468	47 835 350
" 23, " ...	58.008,341	791,895	17.112,121	11,425.995	47,012,724
Mar. 2, " ...	57,021,443	736.417	17.372,230	11,449,506	47 131,169
" 9, " ...	58.533 317	774,170	17.444.138	11 456 893	47,441,815
" 16, " ...	58,870,982	743.408	16,576.640	11,475,352	47,515 835
" 23, " ...	59,136,604	664,530	17,224,136	11,480,138	47,764.121

Exchange on Europe is at a low figure in consequence partly of large loans negotiated in the London market for account of our railroads. Messrs. Drexel, Morgan & Co., as already known, have recently placed $15.000,000; Messrs. Morton, Bliss & Co., $5,000,000; the Erie road, $10,000,000, and now Messrs. Winslow, Lanier & Co., $2,500.000, for the North-west Road, of the seven per cent. consolidated mortgage. The large product in cotton this year is one of the gratifying features of the day, and will do more towards building up the South and South-west than all the millions of legal tenders would accomplish. The cotton receipts of the week past, at all the ports, were light, 67.000 bales; the total to date, 3.279,000 bales, as against 1,954,000 last season. and 3,240,000 bales in 1870–71. when the whole crop realized 4,347,000 bales. The exports of the week. 91,000 bales, and the whole amount of the present crop thus far marketed abroad, is 2,030,000 bales, against 1,803,000 bales last season. The stock in the ports is now 701,000 against 531,000 bales last year.

DEATHS.

In HUNTSVILLE, ALABAMA, on Tuesday, February 10th, aged seventy years, THEODORE LACEY, Cashier of the NATIONAL BANK of Huntsville.

In CINCINNATI, OHIO, on Tuesday, March 3d, aged sixty-four years, N. G. NETTELTON, for twenty years a banker in that city, of the late firm of N. G. NETTELTON & Co.

In ALEXANDRIA, VA., on Tuesday. March 10th, aged seventy-six years, ROBERT H. MILLER, President of the CITIZENS' NATIONAL BANK OF ALEXANDRIA.

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THE LABOR QUESTION.

BY ALBERT S. BOLLES.

I. THE PAYMENT OF LABOR.

This question has attracted more attention in EUROPE, especially in ENGLAND, than here; for there laborers have been paid less and have suffered more, and they have oftener resorted to strikes and other rude methods to increase their wages. Yet the wave of discontent has reached our shore, and is breaking, with more or less fury, over every part of the land. Not a more important question in political economy calls for settlement; not one is likely to give rise to graver difficulties and greater suffering before a settlement is reached.

We propose to start at the bottom of the question; and lying there are the motives of the employer and employed, which must be carefully analyzed. Such an analysis does not reveal very admirable natures in either class. Of course some men are less selfish than others, and gladly do we note the fact whenever it is possible. This, however, cannot always be done. We must enter into a general analysis of the motives of men, and if this reveals much selfishness existing in both classes, any one who will go through the analysis for himself, we think, will find it to be correct.

The contest between capitalist and laborer is a contest between present and accumulated labor. Capital is labor saved, nothing more.* The contest is between him who has saved his labor, or inherited it, and him who has less. It is a contest of the laborer with the laborer, after all.

There is a very gradual shading between the capitalist having many millions, and the laborer having nothing except his brains and limbs. One man has a vast fortune, another a hundred thousand dollars, another a quarter of that sum, another his farm, another his brains, one a store of goods, one a set of tools, another a shovel. Thus the gradations from the capitalist to the laborer shade off almost imperceptibly, and it is not easy to classify all persons.

As to the true relation between capitalist and laborer, there is scarce a division of opinion. Says Prof. PERRY :† "There is no sense or reason in the common jealousy of workmen towards employers. There is no real antagonism between them. Their interests lie along the same line. They are partners in the same concern." And this is the common language of all who have investigated the subject.

It may be very easily shown that the true interests of labor and capital are identical. Without the employment of capital, laborers in many cases could not live. An accumulation of capital is necessary to undertake most of the enterprises of the world. While a machine is being made, a railroad built, a crop raised, capital is required upon which to subsist. Without capital, people would live from hand to mouth, according to the common saying; that is, would return to their original state, and live by fishing, hunting, the fruits of the earth, and the like. It is by saving, accumulating capital, that the world has been able to make such progress—to build factories and railroads, and undertake thousands of enterprises, the returns upon which, though sure to come, may be long delayed.

The capitalist has the means to accomplish these things, if united with labor. He can do nothing without it. To build a railroad, labor is just as essential as capital. Both are indispensable elements. Hence the theoretical truth that they operate in perfect harmony. Were the rich man totally unable to unite his capital with labor, he would become a beggar; were the workman unable to get employment from the capitalist, he would starve. The interests of the two are, therefore, inseparably united; their need of each other is equally great.

What is their actual position? This is not a pleasant investigation to make. We shall present a dark picture of the motives ruling the greatest portion of mankind. Yet we repeat a former remark, that our investigation is general; it does not apply to every individual case. There are unselfish employers and laborers.

* Technically, labor is exertion demanding something for itself in exchange.—PERRY, p. 122.
† *El. of Polit. Econ.*, p. 148, 5th ed.

We seek to analyze the motives which generally actuate the two classes. What are these?

The laborer is determined to get the highest wages for the least work; the employer the most work for the least wages.* The motives of the two classes are the same. The question of paying or receiving a reasonable compensation is not the one determining the question. How much can I get? how little can I pay? these are the questions asked.

The trades-unions of GREAT BRITAIN have declared this again and again. In the *Edinburgh Review*,† their object is clearly set forth: "'The final end' of the trades-unions is 'to raise to the highest practical point the rate of wages,' and it is their maxim that no work should be done heartily; to 'evade' work and to 'loiter' at work are rules; 'he who is most skillful in these arts is the greatest benefactor to his order;' 'the sluggard, according to the standard of the unions, must be the model workman;' the unionists have plans for making work that is useless to their employers; they, in some cases, oppose the use of machinery, and compel the public to make use of inferior articles—for example, hand-made bricks: the Leeds bricklayers have a rule against one man carrying more at a time than 'the ridiculously small number of eight bricks'; walking slowly to work, so as to consume as much as possible of the master's time, has been acted on as a rule; the trades-unions aim at 'making as much work as possible,' 'by rendering the labor of each less efficient;' the union is, in some cases, so 'omnipotent over masters,' that 'the industrial machine is turned topsy-turvy;' in cases of outrage, employers are afraid to prosecute, and a witness who appears in court against a trades-union, 'must be helped to emigrate.'"

This is, indeed, an extreme view. But it is the view of thousands. The workman is quite as selfish a being as his employer; we cannot credit him with having better motives.

What can the capitalist say for himself? Is he less selfish? Does he love his money less than those whom he employs? Let the long record, especially of British industry, answer. The capitalist has had the advantage of his workman, and he has rarely failed to use it. It is a hard truth that the world is forever trying to get advantage of each other. If all laborers were willing to work for a reasonable, or just price, and all capitalists were willing to pay it; if every exchanger were willing to buy and sell according to the same beautiful rule—the world would move on in perfect harmony. Unhappily, this is not the case. Every man seeks to get the most he can for what he sells, and pay as little as possible for what he buys. This is the law of the world. In order to carry out the law, all are forever inventing methods by which

* BURKE has said: "There is an implied contract, much stronger than any instrument article of agreement, between the laborer in any occupation and his employer—that the labor so far as that labor is concerned, shall be sufficient to pay to the employer a profit on his:1p ital and a compensation for his risk; in a word, that the labor shall produce an advantage equal to the payment."—*Thoughts and Details on Scarcity*, vol. 5, p. 137.

† July No., 1868.

they can overreach each other, while the overreached are continually applying counter-protectives.

If a restrictive tariff law is enacted by which a railroad company pays twenty-five per cent. more for its rails, it makes up the advantage thus accruing to the home manufacturer by raising the price of freights.* If a man intends to buy anything, he hides his real intentions from the seller if he can. Why? Because he fears the seller will take advantage of the buyer's situation to raise the price. So men hide their real purposes, pretending not to want very badly, although their wants may be great; pretending to be not very desirous of selling, although wishing to sell even at a loss; and thus deceptions are employed; each afraid to tell the honest story of his condition, and trust his fellow, because he knows that, generally, men will take advantage of each other if they can. The capitalist is like the rest, and, unfortunately for the laboring class, he has an advantage over them which it is difficult for them to overcome. He can live if all his capital is not employed in reproduction; their labor will not keep, and, if they are not employed, they perish.

For example: A owns a factory run by a hundred hands. They demand higher wages and refuse to work until they be given. But the owner says: "No, I will stop my mill first." He has property besides, and can live upon that until it is exhausted; perhaps he has enough for his support always. But if the laborer does not work, he will starve. It is clear enough, then, that A holds his help in the hollow of his hand and can squeeze them as hard as he pleases. This is the fact, and every true observer will say so. Admitting the truth of all the beautiful theorizing about the necessary marriage of labor and capital in order to bring forth fruits for both, capital often has a decided advantage.

The laborer sees this. He says: "The capitalist has a great advantage over me, he can compel me to make a contract by which I am not fairly paid for my services." It is like telling a man to deliver up his money or forfeit his life. The capitalist says: Work for me for so much or I will starve you to death."

And because he has this advantage over the laborer, most capitalists are not slow to avail themselves of it, and this is the cause of the enmity between the two classes.

The laboring class receive more sympathy because they are placed at the greatest disadvantage; they are not, in truth, a whit better than their employers, because, when they become wealthy, as many of them do, they quickly come to see things as other capitalists, and take up practices which once they condemned.

This is not an encouraging view of human nature, though it must be said, lest some one be deceived. Capitalist and laborer, each seeks to do the best he can for himself, each regards his in-

* See Col. GROSVENOR's admirable article on The Railroads and the Farms, as an illustration. *At. Monthly*, vol. 32, page 591.

terests as antagonistic to those of the other, each seeks to get every advantage over his opponent, but the capitalist is most favorably situated, he has more advantages, and can generally get the better half of the bargain with the laborer. This is the real situation of both classes.

In making the contract for labor, we maintain that the laborer ought to be willing to work for a reasonable price, and the employer ought to be willing to pay it; and each ought not to take advantage of the situation of the other. If labor be plenty, the employer ought to pay as much, other things with him remaining the same; if scarce, the employed ought to ask no advance of wages, provided his condition in other respects remains unchanged. In short, people ought not to take advantage of each other as they do.

This law men are violating continually. The capitalist declares that, as he is not bound to employ laborers at all, he has the right of paying them any price that may be agreed upon. In other words, as he is independent of the workman, he may pay him as little or as much as he pleases. The plea on behalf of the capitalist has been put by Mr. THORNTON,* in the following form: "Capital, being under no previous obligation to enter into arrangement with labor at all, is at liberty to reject any arrangement to which she objects, and is entitled to whatever profit may accrue to her from any arrangement to which labor and herself mutually agree. That the profit which thus accrues to capital may be fairly regarded as the produce of the labor by which the capital was created and which it represents, and would thus, in the absence of any agreement, belong entirely to capital, for the self-same reason for which unassisted labor is entitled to take as its reward the whole of its own produce." Is it true that the capitalist is under no obligation to enter into agreement with the laborer? Let us examine the question.

What are the relative positions of the two? Let the capitalist cease to employ the laborer, and how much capital has he left? Absolutely nothing. The laborer keeps him from sinking. Dispense with his services, and capital vanishes into thin air. Dispense with labor, and every vessel will rot at the wharves, every farm will run to weeds, the spindle will not give out its music. No man will have anything except what he can get by direct exertion. As for selling his property and living upon the income, who will buy if no labor can be employed? A great factory would not sell for a dollar, because it would be of no more use to the purchaser than the moon.

Now, the usual way of looking at this question is this—no man is obliged to build a ship, or a factory, in order to employ labor, because he can loan his money to others. Very true, yet what do they want of it if they do not employ labor with it? If the man-

* On Labor, page 138.

ufacturer gets tired of his business and resolves to quit upon the ground that he is under no obligation to employ any one, he sells his establishment, and what then? Why, he invests his property in other concerns which employ labor. He employs and pays for labor less directly; that is the only difference. His money is put to the same use as before. He buys railroad stocks, but the railroad employs labor in great quantities. He puts it in a bank, but the bank employs labor, and loans its funds to others who use it for the employment of labor. Everywhere capital and labor touch, and if they do not, one is as worthless as the other.

Capital, therefore, whether employed directly, or loaned to others for them to use, must be employed in union with labor, else it is absolutely valueless. The man who is worth a million is as poor as the man not having a dollar, and both alike must get a living by simple and similar tasks. As men will not do that—as they will use their capital themselves, or loan it to others to be used by them—they are bound to pay a reasonable reward to the laborer for his services. The workman is just as necessary a factor in reproduction as capital, and rightfully stands upon an equal plane.

Again, the capitalist asks: "Have I not a right to do what I will with mine own? If I throw it into the sea, surely I am under no obligation to employ workmen, for if I am, then all are bound to employ labor, whether having capital or not." If a man has nothing, he cannot be required to employ labor; if he has property, he is bound to use it, either directly or indirectly, for his own support and for the support of others. Can a portion of such property be used as capital in reproducing wealth, then it is a duty he owes to society to employ it so, or spend it in other ways. Government, in protecting property, thus enabling its owner to accumulate more, puts him under obligation to employ a portion of it in reproduction, as well as spending another portion in the maintenance of himself. He has no right to throw it away. He must use it himself, or loan it to others to be used by them. For, if he will not use it himself or let others use it, his property becomes worthless, and the State is obliged to support him. The State has the right to see that no man wastes his property so as to become a burden to the public.

It is not necessary to go to this extreme length to defend our proposition. The truth is simply this—capital is utterly worthless unless joined with labor. Men are in fact bound to employ labor or else their possessions, whether great or small, are of no value to them or to any one else. Labor is just as necessary a factor in the saving and reproduction of capital, as in producing capital in the first place. Let it not be forgotten that in this whole discussion we are not talking of anything but labor, present and accumulated. Accumulated labor, to be worth anything, must be united with present labor; the two operate together. Consequently, the assertion is without foundation that the capitalist is under no obli-

gation to employ labor. Such an obligation does exist. He has no right to throw his property away. We assume that every man is desirous of saving his property; if so, he must employ labor, else his property becomes valueless. And if he must employ labor to save it, he ought to pay a fair compensation therefor. Suppose a man's house was in danger of being carried away by a flood, and some men coming along were asked to help in saving it. They have no time to make a definite bargain as to the remuneration, but engage with a hearty will, and by their efforts save the house. Would not every one say that the owner of that house was mean if he were not willing to pay those men a reasonable compensation for their services? The position of the capitalist is the same in respect to his property. His capital will vanish like a stroke of lightning unless united with labor. Analyze the uses made of capital, and all cannot help admitting the fact. Labor is necessary to save property and enhance its value; if the owners of lands, factories, etc., are desirous of securing these ends, they must employ labor. Therefore they ought to pay a reasonable price for it.

As between workmen, there is a natural difference; one man is worth more than another, because he has greater strength or skill. It is right that the strongest and most skillful should receive higher wages. Concerning these natural advantages, there is nothing to be said. What we object to is the use of artificial and wrongful advantage. If the corn crop is less this year, the price should not be increased, except to require people to practice economy, or for some other good reason. If laborers are plentiful, let them be paid as much; if they are scarce, let them work for the old prices. Let no advantage be taken of unnatural, artificial, or forced conditions, and all will be well.

It will be said that this mode of reasoning is contrary to the operation of supply and demand. Shall that law cease to be applied? No, not in the true sense. All that we have written about asking and expecting reasonable prices, does not conflict with the working of this law. There is, however, a wide difference between the natural and unnatural operation of supply and demand. Rightly interpreted, the law is this—demand is what people really need and would purchase if they could buy at a reasonable price; and supply is the quantity that can be had at such a price. But the world is forever interfering with this law, by creating artificial scarcity on the one hand, and, on the other, by trying to make the demand less than it really is, so as to beat down the price. The law, to a great extent, does not express the truth about exchanges. The real demand is often much greater than purchases indicate, and the supply also. But people deceive each other; they exercise force, they refuse to sell when they really want to, hoping for an advance of prices. The buyer refuses to buy, although he really wants the thing, hoping to get a reduction of price. So numerous are the deceptions practiced, the real state of

things is covered up so deeply, that the natural law of demand and supply has, in fact, only a limited operation.

What is a reasonable price depends upon many things. Obviously, it is impossible to draw any hard and fast line defining it. The most we can do is to find out what principle should govern in making contracts between capitalist and workman. This is a reasonable price without regard to any advantage which either capitalist or laborer might take of the condition of the other.

There are some considerations, however, that may be mentioned in making contracts for labor. First, the laborer should receive more where the work is hazardous to life and health, than in those occupations which are healthy and free from accident. An operative in a powder mill, or who makes certain parts of a brimstone match, ought to receive higher wages than a person working in a woolen factory, which is comparatively healthy and safe. Secondly, a person ought not to expect so much who receives regular employment as a person who cannot get work regularly. The ordinary hackman is justified in charging more for conveying passengers, if he can get them only now and then, than if he were employed all the time. The same person will charge less by the hour if he is to be employed for several hours, than if employed to go a short distance, in proportion to the time required. This is just. With a great many who work in factories, especially in New England, they ought not to expect so much, because their employers, in most instances, feel bound to give them constant employment if possible. Ofttimes they run, and at a loss, when they would not run, except to keep their help employed. Other considerations of less importance probably enter into the contract fixing the price of wages.

There are some subsidiary questions surrounding the main one which require notice. It is said, that labor is paid enough generally, whatever the price may be, because, as a class, workmen do not make a wise use of their wages.

That workmen are often prodigal in the use of their wages will not be denied. Since the war, the wages of factory operatives have remained nearly the same as before, the prices of living have been reduced, consequently operatives have reaped a fine harvest. Some of them have saved their money, though the larger number have spent it all. The goods in the factory stores and villages have changed in many respects, which is the best proof of the extravagance of this class. The amount of jewelry they wear is very large and expensive to what it was a few years ago. Their clothing, also, is costlier, and their living as well.

Now, it is said, why pay them so much? they do not make an economic use of their money; teach them to use it properly before giving it to them. This, by way of advice, is good. Operatives spend a great deal of money foolishly, and they should be taught to save it against a day of want, and for nobler uses. Yet is this a good defence to paying them higher wages?

The same mode of arguing will cut the manufacturer off from making money, for does he put it to any better use than his operatives? Is he not as extravagant, does he not spend as much money foolishly? He cannot, in truth, say anything on that score.

Thus we have gone over the ground between the capitalist and laborer, and sought to find out what is the true rule in the employment of labor. We do not say that the fixing of any price is always best; a division of the profits upon some agreed plan is preferable, whenever a division is practicable. It is not practicable in every case, and when it is not, this rule has a decided preference over every other. How various plans for rewarding labor have succeeded, and what efforts workmen have made to increase the price of wages, will be considered in the next chapter.

II. On the Increase of Wages.

The history of the efforts to increase the price of labor is a very sad one. It is strewn with cruelty, injustice, and suffering. It is very instructive, however, and proves that amid the strifes and disappointments of contending parties, a better understanding has been created between them, and a nearer approximation to perfect justice, which will one day mark all their intercourse.

Workmen seek to secure their claims in the following ways: by first combining into societies, called trades-unions, and then demanding higher wages by conference with their employers, by councils of arbitration, and by strikes. The other ways of securing their rights are by forming industrial partnerships, and by abandoning the capitalist and forming co-operative associations. We shall consider, first, the methods of trades-unions societies.

It is the largest voluntary organization in the world.* The principal object of combining is to secure higher wages, while the incidental object is the support of workmen in sickness and destitution. The members are required to pay a certain sum per week to the organization, and this is expended in the support of strikers, sickness, etc.

The aim of trades-unions more specifically stated is, first, to oppose any reduction of wages; secondly, to cause a rise of wages whenever practicable; thirdly, to convert non-unionists into union-

* The Amalgamated Society of Engineers in England, a branch of the trades-unions, and numbering about 35,000 members, has an annual income of $440,000. The expenditures of the society from 1851 to 1868 were as follows:

Payments to members out of work	£425,844
Aids in sickness	161,388
For old age	45,272
For accidents	16,000
For burials	50,250
For extra fund for cases of special emergency	12,526
Aids to other trades	10,375
Total	£721,655

ists, either by persuasion or coercion, the former means being preferred.* Besides these aims, they have sought to restrict their own competition in labor to certain limits deemed necessary to their welfare. The chief rules agreed upon to effect this object have been thus stated by Mr. GOSTICK:† "To insist on apprenticeship; to contend for the employment of workmen and apprentices in a certain ratio of their respective numbers; to oppose frequent, or 'systematic' working beyond the regular hours agreed on, and to prevent the employment of 'piece-masters.'"‡

Leaving all other objects of the society out of sight except the principal one of raising the price of wages, workmen are entirely justified in uniting for this purpose so long as they pursue proper methods and do not make unreasonable demands. A considerable hostility has been displayed towards trades-unions, as they are considered the enemies of the capitalist. In one sense they are. The object of their creation is to increase the price of labor—in other words, to get a larger share of the capitalist's profits, which, in most instances, he is unwilling to give. In ENGLAND, especially, the greatest opposition to these societies has been exhibited. In this country, labor is better rewarded and is more content. It is in ENGLAND that the laborer has fared worst, where the supply of labor is largest. Trades-unions have been more extensively organized there than in any other country; in ENGLAND has their power been most keenly felt.

It is just as evident that laborers have a right to combine in order to get their dues, as capitalists have to combine for the purpose of resisting an advance of wages. As long ago as when ADAM SMITH§ wrote, he said that "masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labor above their actual rate. To violate this combination is everywhere a most unpopular action, and a sort of reproach to a master among his neighbors and equals."

Mr. THORNTON has reaffirmed the remark: "Large employers in any one extensive department of industry are not at all in the habit of competing with each other for labor. On the contrary, their custom is to deliberate together from time to time, in order to determine what wages it may, in existing circumstances, be advisable for them to offer, and some uniform rate is agreed to accordingly." ||

It was a long period before workmen in ENGLAND were permitted to form these societies, so strongly entrenched were capitalists in the legislation of the realm. In 1799, the following act of Parliament shows the willingness of that body to legislate against the combination of workmen: "Contracts entered into for obtain-

* *Ward's Workmen and Wages*, p. 18.

† *Cobden Club Essays*, p. 380, second series.

‡ "This 'piece-master' is a foreman, whose extra gains sometimes depend on extra pressure put upon the labor of those who work under his superintendence."—GOSTICK.

§ Vol. 1, p. 70, ROGERS' ed.

|| *West. Rev.*, vol. 81, p. 166, Am. ed.

ing an advance of wages, for altering the usual time for working, or for decreasing the quantity of work (excepting such contract be made between a master and his journeyman), or preventing any person employing whomsoever they may think proper in their trade, or for controlling the conduct, or any way affecting any person or persons carrying on any manufacture or business, in the conduct or management thereof, shall be declared illegal, null and void." *

This statute illustrates how workmen were regarded in that day. Nor was it until 1827 that Parliament repealed all statutes prohibiting workmen from combining. Until then, employers and Parliament had taken it for granted that they alone could regulate the price of wages.

In having the right to combine acknowledged by Parliament, the cause of the workman was much advanced. He was for the first time put upon the same plane with the capitalist. They could now combine to work the price of labor up, as capitalists had hitherto combined to keep the price of labor down.

In this country, happily, we have never been troubled with this question. So far as our National or State Governments are concerned, workmen have no just cause of complaint. They have always been placed upon the same footing as the capitalist, and have enjoyed the unquestioned right to form trades-union societies. It is not until recently that the old doctrine of the right of the State to control the price of labor has been revived. This desire has been expressed by Governor BROWN, of Georgia. In his last annual message, he said that "labor must be controlled by law. We may hold inviolate every law of the UNITED STATES, and still so legislate upon our labor system, or in lieu of that, establish a baronial one." We imagine that there is no danger of the old English law being re-enacted on this republican soil. Liberty to contract for labor is too deeply grounded to be crushed out by the fiat of Governor BROWN, or by any one else of his way of thinking.

Three ways there are, as we have said, by which trades-unions seek to get an advance of wages: by conference with their employers, by councils of conciliation, and by strikes. Concerning the latter mode we will speak first.

Strikes, which in the fourteenth century had their counterpart in the Jacquerie riots, are the last thing for the laborer to resort to in order to get an advance of wages. As for the justice of them, if workmen are not getting a reasonable price for their work, and their employers refuse to pay more, after working the length of time agreed upon, they are justified in quitting their places. That is all there is in the phenomena of strikes, refusal to work unless an advance be paid, and the workman has a perfect right to demand such a price and to quit working unless the advance be offered.†

* 40 GEORGE III, chap. 90.

† Mr. THORNTON has considered the ethics of strikes fully in a paper published in the *West. Rev.* upon Strikes and Industrial Co-operation; vol. 81, pp. 165—67. Some able and interesting

In ENGLAND, and we believe the same is true in this country, workmen, generally, have oftener struck to resist a fall than to secure a rise of wages. Says Mr. BRASSEY,* "Resistance to a proposed reduction was the cause of the engineers' strike in 1852; of the strike at Preston in 1853; of the strike in the iron trade in 1865; and of the strike of the colliers, at Wigan, in 1868. In each of these cases, the masters had found it necessary, in consequence of the depressed state of trade, to reduce the rate of wages: but the men, ignoring the circumstances of the trade, and looking only to what they believed to be a degradation of their position as workmen, refused to accept the reduction."

Although in many cases workmen have failed to get higher wages, yet not always. One of the principal reasons given for GREAT BRITAIN'S failure to supply iron manufactures to this and other countries, is on account of the advance in the price of labor occasioned by the strikes of trades-union societies. The London *Times*,† in a recent editorial on the decline of the English iron trade with the UNITED STATES, remarked that the price of iron depended very materially upon the price of coal. Anything that raised the price of coal affected the price of iron. "Now," says that journal, "without pronouncing judgment in the disputed question whether strikes have been the exclusive cause of the late rise of coal in ENGLAND, we may take it as granted that they have been a very principal cause, and that they are now exercising a controlling influence in keeping up the admittedly excessive price."

In this country trades-unions are of less account, because workmen, as a general thing, are well paid. So long as there is so much unimproved land to be easily had, the claims of labor will get a fair hearing. The western prairies are an asylum to which the laborer may, at any time, fly from the face of his oppressors.

Strikes, in this country, have not been very serious or long protracted. They have occurred in almost every branch of trade; in the cotton and woolen mills, among the coal mines, engineers of railways have occasionally struck, masons, carpenters, printers, and others. The coal-mine strikes have been the most extensive and expensive of any. Mr. THORNTON has summed up the result of some of the numerous strikes in ENGLAND, happening within the last twenty-five years, but a detailed account of them, and many others besides, will be found in *Ward's Workmen and Wages*. We shall merely mention the great strike of the Manchester spinners in 1829, when $ 1,250,000 wages were forfeited; the Ashton and Staleybridge strikes of 1829 and 1830, participated in by 30,000 spinners and who lost $ 1,250,000; the strikes of the Tyne and Wear pitmen in 1832, which were very protracted; the Manchester builders' strike in 1833, when $ 360,000 of wages were lost; the "terrible" strike of the Preston spinners; first, in 1836, lasting

observations upon this subject are contained in a paper by FREDERIC HARRISON entitled The Iron-Masters' Trades-Union, *Fort. Rev.*, vol. 1, p. 96.

* Work and Wages, p. 6. † Aug. 29, 1873.

thirteen weeks and costing the men $286,000; and secondly, in 1854, when 17,000 persons went into voluntary idleness, suffering intensely for thirty-six weeks, and giving up $2,100,000 wages; the engineers' strike in 1853, of fifteen weeks' duration, in which $215,000 wages were sacrificed; the strike in the metropolitan building trade in 1860; and the strikes of the iron workers of Staffordshire and the North in 1865, and of the London tailors in 1868; these are a few of the more prominent instances.

Before resorting to strikes, workmen, in many cases, seek to settle their differences with their employers by arbitration. Ofttimes a hearing is had, both parties state their claims, and the arbitrator renders a decision, which is accepted as final by both parties. These courts of conciliation have been the authors of an immense amount of good, and prevented numerous strikes. The employer, by coming forward at these times and making a full showing of his business—what he can afford to pay and what not—has saved both himself and his workmen from many a rupture and loss of work and profits.

This mode of settling disputes between employer and employed originated in FRANCE, and is there termed Conseils des Prud'hommes. They are established by decree of government, and consist of a president, vice-president, who can be neither workmen nor employers, and six members elected by both classes. The proceedings are inexpensive, the judges not being paid; and a delegation of the council, consisting of one employer and one workman, sit in judgment almost daily. "The result," says BRASSEY,* "in ninety-five out of one hundred cases brought before these tribunals, is a reconciliation between the parties; and, though appeals are permitted to the superior courts of law, they are rarely made. . . . In 1850, 28,000 disputes had been heard before the Conseils des Prud'hommes, of which no less than 26,800 were satisfactorily settled."

Little has been said about the establishment of courts of conciliation in this country, yet they have produced so much peace abroad, that, were the tribunal established here, it probably would yield the best results. When a division between the two classes has actually broken out, these courts can do little, perhaps, to make peace; but if they are instituted early enough, they are likely to save many a bitter and expensive contest between the capitalist and his workmen.

Having shown how the workman seeks to increase his wages by strikes, we turn to another side of the same subject to present the experience of improving his lot by co-operation. This is of two kinds: first, co-operation of workmen simply; secondly, co-operation with capitalists; which latter method of conducting business is termed an industrial partnership. We shall not tarry long with either of these topics and do little more than point out a few results, for the history of these movements has been related so many times, that the public are quite well informed of it already.

* *Work and Wages*, p. 272.

The birth of the first co-operative society occurred in Rochdale nearly thirty years ago. The organization was called the Rochdale Pioneers. The history of the society has been told in a most attractive way by Mr. THORNTON in his work *On Labor.* The rise of this society was like the growth of a mustard seed. In the beginning, twenty-eight flannel weavers, disgusted with the poor quality and outrageous price of the provisions they were in the habit of buying, subscribed two and three pence a week towards making up a sum of twenty-eight pounds, which they spent in purchasing, at wholesale prices, in Manchester, flour, sugar, butter and oatmeal. From this common stock, each took what he wanted at the current prices, paying in cash; and when the whole amount had been sold, they were surprised to find that so much had been made by the operation. They repeated the experiment. They purchased in larger quantities and added to their subscribers. The embryo association was laughed at in the beginning, but it continued to grow, and after a short time it was found that a room was necessary to hold the goods purchased. A small one was hired, and it was arranged that one of their number should act as salesman for a few hours during two evenings in the week. In 1845, the second year of the society, the number of subscribers had increased from twenty-eight to seventy-four, and the capital was £181, upon which a net benefit of £32 had accrued. The two following years they divided £80 and £77; and they have gone on increasing at a wonderful rate ever since. In 1847, linen and woolen drapery was added to the original grocery and chandlery business; in 1850, a butcher's shop was grafted on; shortly after, a slaughter-house; in 1852, shoemaking and tailoring were begun. A single glance at the profits tells the story of progress. We have not space for all the figures; we will simply show what they were at the end of each period of five years. The society was started in 1844, and the net profits run as follows:

1845,	£22	....	1848,	£117	....	1860,	£15,906
1846,	80	....	1849,	561	....	1865,	25,156
1847,	72	....	1850,	880	....	1867,	41,619
			1855,	3,106			

The causes of their success are very clearly seen. They bought at wholesale, and always paid in cash, thus getting the largest discounts. They never sold on credit, and consequently had no bad debts. Having a large number of shareholders, they were assured of plenty of customers, and were under no necessity of spending a penny to make themselves known in order to obtain trade. The expenses of management were small, not exceeding two per cent. of the business done. For attracting outsiders, their equitable distribution of profits was a device far more efficacious than a showy front or advertising.

When any one makes a purchase, he receives a tin ticket, whether a member of the association or not, denoting the sum he has paid. At the end of every quarter, when profits are declared,

there is a deduction of five per cent. per annum, for interest on the capital, another deduction of two and one-half per cent. as an education fund is taken out, and the balance is divided among the holders of the tickets.

There are some very decided benefits arising from this form of co-operation. First, one's money goes farther than anywhere else; secondly, the stores give the best possible security to the purchaser that what he buys will be of the best quality, since it is the same as the owners of the concern purchase for themselves. Upon these points Mr. HOLYOAKE* has justly said: "The whole atmosphere of a store is honest. In that market there is no distrust and no deception—no adulteration and no second prices. Buyer and seller meet as friends. There is no overreaching on the one side, and no suspicion on the other."

Besides supplanting dearer and poorer shops, co-operative stores stimulate to self-amendment and promote prudence. The poorer class, considering the means they have, are not infrequently quite as wasteful and extravagant as others; but these societies have a most beneficial effect in the way of elevating all concerned, and making them prudent and more self-reliant men.†

The other form of co-operation is that of industrial partnership. This is the more natural method, because capital is brought in to the aid of labor.‡

The idea of an industrial partnership is for the capitalist to give the workmen wages, a sum rather low, enough to sustain himself by living prudently, and then, after deducting a certain sum for the use of the capital, to divide the rest of the profits, if any there be, upon certain terms agreed upon between the employer and his employees. The most successful industrial establishments in GREAT BRITAIN are the Methley collieries, owned by HENRY BRIGGS, SON & Co., and several slate quarry organizations in WALES.§ The first of these organizations is worthy of a brief description. The business of the proprietors was undertaken in 1852. For the next twelve years their relations with their men were most unsatisfactory, and strikes were constantly occurring. In 1865, they launched their experiment of an industrial partnership. The business of the firm was transferred to a joint-stock

* *Self-Help*, pp. 38–9. He also says: "They have no interest in chicanery. Their sole duty is to give fair measure, full weight, and pure quality, to men who never knew before what it was to have a wholesome meal, whose shoes let in water a month too soon, whose waistcoats shone with devil's dust, and whose wives wore calico that would not wash. These men now buy in the market like millionaires, and, as far as pureness of food goes, live like lords. They make their own shoes, sew their own garments, and grind their own corn. They buy the purest sugar and the best tea, and grind their own coffee. They slaughter their own cattle, and the finest beasts of the land waddle down the streets of Rochdale, for the consumption of flannel-weavers and cobblers."

† An article by Prof. FAWCETT upon the Position and Prospects of Co-operation, in the February No. of *Fort. Rev.*, 1874, is worth reading in this connection. Also one by THOMAS HUGHES upon The Working Classes of Europe, *Inter. Rev.*, March, 1874.

‡ In GERMANY, workmen form associations and the State and banks loan them money to be used in the prosecution of their business. This is also done by the French Government to a limited extent.

§ For a description of the slate quarries see *Cairnes' Essays on Polit. Econ.*, p. 166.

company, the owners retaining two-thirds of the shares, and offering the other third to the public, and especially inviting their employees to become shareholders. At the same time they arranged "that whenever the divisible profits accruing from the business, after a fair and usual reservation for redemption of capital and other legitimate allowances, exceeded ten per cent. on the capital embarked, all those employed by the company as managers, agents, or work-people, should receive one-half of such excess profit as a bonus, to be distributed among them as a per centage on their respective earnings during the year in which such profit should have accrued."

They made no claim to disinterestedness; they adopted the system as one of convenience and speculation. Their profits had never exceeded ten per cent., and these they were sure of receiving before there was any division to the employees.

The undertaking proves that the BRIGGS reasoned well. The experiment has been a brilliant success. All the expectations based upon it have been realized, and some unlooked-for advantages have accrued. The trial began July 1, 1865. "At the end of the first twelve-month the total of profits was found to be fourteen per cent., of which the shareholders took twelve and the work-people two per cent. In the second year the total was sixteen per cent., the shareholders getting thirteen per cent. and the workpeople three. In the third year the corresponding figures were seventeen and three and a-half." *

Industrial partnerships are the consummate flower of the war between labor and capital. Men like profits better than salaries. We suspect this is the outcropping of the speculative or gambling spirit which every person displays in some degree. It is only fair, though, since workmen add their full share to the increase of capital, that the division of such increase be equitable. It is the best stimulus to workmen—they put forth their best energies—and it is the fairest mode of conducting business whenever possible. The whale fisheries have always been conducted on this principle. It is worthy of more attention than it has received, and offers a perfect solution of the vexed relation between capitalists and those whom they employ. Their relations are identical. They join hands, brains, and strength, for the same common end, to produce more wealth, and it is right to make a fair division of the increase.

The unity of the relation between the two classes is being more clearly seen, and the enmity between them is slowly, but surely, disappearing. Can we not see in vision as THORNTON has seen—

> " * * * of shadows thrown before
> Coming events, things that surely be,
> Nor now delayed, but until man, no more
> Wholly on blinding lust intent, shall see
> That his whole interest and his kinds are one,
> Blended in individual destiny."

* THORNTON *On Labor*, p. 352.

III. Machinery and Workmen.

Wealth is increased in one of three ways—by transmutation, by transportation, and by transformation. The first way is that of the agriculturalist; the second of the merchant and carrier; the third, the manufacturer and mechanic's.

In each of these three ways, the most important principle, especially in the latter way, of increasing wealth, is by the proper division of employments. This portion of the field of political economy has been fully explored by able writers, though perhaps no one since Adam Smith has made so many discoveries in it as Charles Babbage, in his *Economy of Manufactures.* Among the three advantages of dividing employment mentioned by Smith, is the invention of machinery. Some of the effects, direct and remote, flowing from its use may be noticed, as they have not been fully described.

One effect is the continued hostility on the part of workmen to the introduction of all machinery superseding labor. This hostility is nothing compared to what it was in former times. "Yet there are a considerable number of the working-classes who have a lingering, lurking dislike to machinery, which they cannot rationally explain, and who look with the liveliest apprehension at any improvement which may be effected in that grand aid to human industry." * Mr. Ward† intensifies this truth by referring to the riot at Coventry, England, which arose from the attempt to apply steam-power in the manufacture of ribbon; and to the opposition at Northampton, Kettering, and Wellingboro', over the introduction of sewing-machines in the manufacture of boots and shoes. Another good authority has affirmed that hundreds of inventions are not utilized because trades-unions are opposed to their use, and are powerful enough to have their way. Millions of bad bricks are made annually, because this society will not permit the use of brick-making machinery. No spirit of injurious opposition to the use of labor-saving machinery has appeared in this country, nor has any occasion happened to rouse opposition, as there has always been a flood-tide of work for every one. May this spirit always prevail here, for the sake of the workman and all.

It cannot be denied that labor-saving machinery displaces labor. It must do so during some period of its use else the name is a false one. As a railway engine will do the work of many horses, thus superseding the use of the noble animal, so the horse has superseded the work of thousands of men, because, in many ways, it can accomplish more.

The invention of machinery has been more wonderful in this country than in any other. This is owing, principally, to the scarcity of labor, though partly to the greater skill of the mechanics. It is worthy of note how the strikes in England are leading

* Edmund Potter; paper read at Social Science Meeting, Glasgow, 1868.

† *Workmen and Wages*, p. 240.

the manufacturers to develop more perfectly the use of machinery there. This was mentioned by Mr. NASMYTH, a noted English manufacturer, in his evidence given before the Trades-unions Commissioners. His desire to invent labor-saving machinery was increased by a strike, in 1851, affecting his business. By new contrivances invented since that time, he had been able to reduce the number of men from fifteen hundred to one-half as many.

"That machinery does not diminish, but enlarges the field of employment," says one author, "is a thesis which he would be ashamed to argue." We are sure the statement cannot be received without explanation. Did no new cause operate upon the introduction of machinery except a reduction in the price of the product, the field of employment would certainly be diminished.* Let a machine be invented by which half the labor required to make a particular thing is displaced. Let the future price of it be reduced in proportion to the diminished cost of manufacture. Will the demand double so that the men first thrown out of employment will be subsequently employed in the same business? By no means. In fact, if such a saving in the cost of production takes place, a long period ensues, generally, before the purchaser gets the full benefit of the improved machinery.

It does not follow, though, that the workman fares worse, in the end, from the introduction of machinery. The fruit of his brain is not bitterness to his body. By inventing machinery and economizing labor, he does not dig his own grave. Far from it. Labor is released, by the use of machinery, for a season; afterwards, it all returns.

In what way? By cheapening the price of products, and, from the increase of national wealth, the demand is enlarged.† Hence, a larger supply must be had. It is this second cause joined to the first which crowds the demand, in many things, upon

* The economy often wrought through the use of machinery is remarkable. During the recent war, the English developed their machinery for making fabrics more than ever before during the same time, and reduced, to a considerable extent, the amount of labor required to run it, as the following table shows:

COTTON FACTORIES.

	1856.	1861.	1868.
No. of Factories	2,210	2,887	2,549
No. of Spindles	28,010,217	30,387,467	32,000,014
No. of Power Looms	298,847	399,992	379,329
No. of Persons Employed	379,213	451,569	401,064

WOOLEN, WORSTED AND SHODDY FACTORIES.

	1856.	1861.	1868.
No. of Factories	2,030	2,211	2,465
No. of Spindles	3,111,521	3,471,781	6,455,879
No. of Power Looms	53,399	64,818	118,865
No. of Persons Employed	166,885	173,046	253,056

FLAX, HEMP AND JUTE FACTORIES.

	1856.	1861.	1868.
No. of Factories	417	440	472
No. of Spindles	1,288,043	1,252,236	1,679,357
No. of Power Looms	8,689	15,347	35,047
No. of Persons Employed	80,262	94,003	135,333

† THORNTON, *on Labor*, p. 319.

the heels of the producer as sharply as ever. When the sewing-machine was invented, it was believed that thousands of women could thereafter find no work. What has happened? First, a larger amount of clothing is demanded, because the cost of making it is less; secondly, the amount of sewing upon some things has largely increased; thirdly, there is more wealth with which to pay for clothing and sewing. Has the invention of the steam engine driven men out of employment? Whether in transportation, or other business, it has been the means of multiplying the demand for labor. Not only do workmen continue to be employed since the introduction of machinery, but also at better rates; while others find work, because some of the processes of production are greatly simplified. Workmen can be employed to make parts of locomotives which once were made only by artisans. Thousands are employed in factories for making cloth, who never could have been employed if all the processes of making were undertaken by one person. Machinery has introduced an infinite number of simple processes.

In respect to the increased pay derived from working machinery, it is difficult to give figures without a great deal of explanation, because the price of wages has been increased from other causes besides this.†

From these, and many other facts, it is clear that machinery is not the enemy of workmen. Let the opposition to its introduction cease. May the workman continue to apply his skill in producing new machinery and in running the old, with the confident hope that he is sure of earning his bread and robbing no one of it, not less when he works with the mute wisdom of machinery, than when wearing out his own fingers. "No trades-unions," says EDMUND POTTER, "ever encouraged invention." This is a sad fact. Machinery has brought a thousand comforts to millions who would otherwise have been denied them, and what workman to-day can trace his lack of employment, if out of it, to the introduction of machinery?

It may be asked, will not the augmented power of machinery ultimately reduce the quantity of labor. We think not. It certainly will in particular employments, but the labor thus released will take up new occupations. The demand for most things has a practical limit, and when production reaches that, it must stop. That over-production is not possible in all branches of industry at once, though possible in some, is a doctrine which few, if any,

† In *Porter's Progress of the Nation*, p. 197, he gives an interesting table of the prices of the wages of spinners, and their cost of living for a long period, which we quote:

Years.	*Work of Spinner. per week.* Lbs.	Nos.	*Wages per week.* s. d.	*Hours of work per week.*	*Flour per sack.* s. d.	*Flesh per lb.*	*Week's Net earnings would purchase* Lbs. Flour.	Lbs. Flesh.
1804,	12	180	32 6	74	83 0	6*d.* to 7*d.*	117	62½
1804,	9	200	36 6	74	83 0	6 to 7	124	73
1814,	18	180	44 6	74	70 6	8	175	67
1814,	13½	200	60 0	74	70 6	8	239	90
1833,	22½	180	33 8	69	45 0	6	210	67
1833,	19	200	42 9	69	45 0	6	267	85

will deny. But human wants cannot cease entirely so long as man lives.

Another effect springing from the invention and use of machinery is the rise of large factories.* Machinery first diminishes labor and increases gains, unless the price of the thing sold is reduced correspondingly with the diminished cost of production. Sometimes, a manufacturer prefers to sell at the old price and increase his profits in that way; sometimes, by reducing the price and stimulating the demand. His preference will be for that way which is likely to yield him the greatest profits. If the demand increases, as in many things it does, whether prices are reduced or not, the manufacturer enlarges his factory to produce more and enhance his profits. This, of course, does not logically follow, but if a business is profitable in the beginning and machinery is invented whereby the profits are increased, it is quite true that the manufacturer increases his capacity for production if the demand be greater.

He will increase his factory to that point where he can manufacture at the greatest profit; extending his business also, so as to be dependent upon the smallest number not employed by himself in producing his wares. For example, some of the railroads are constructing rolling mills to produce their own rails, because it is cheaper than to buy of others. This practice of extending the manufacture of things so as to cover as many processes as possible, is growing every day. A lock manufacturer, for example, instead of purchasing his castings of another, will make them himself. And thus the process goes on of combining more and more, under the ownership of one person, the different processes involved in a given product.

It is not within our purpose to state how far this combination of processes has been carried, but simply the effect of it; both upon workmen and the public.

One effect is a tendency to diminish the price of manufactured products. Why does the lock manufacturer make his castings instead of purchasing them of the foundryman? Either, because he can make better ones at the same price, or similar castings at a lower price. In short, because he can save money by the operation. If he can, he can afford to sell his wares at a reduced price. Whether he will or not depends upon the state of facts previously indicated—whether he can make more by selling the same quantity at larger profits, or a larger quantity at profits reduced. A combination of processes generally tends to a reduction of the price of things.

Again, if the price is not diminished in the first instance, the great gains realized tempt others to rush into the business, unless it be a legal monopoly, and, through force of competition, prices are diminished.

* See *West. Rev.*, vol. 81, p. 164, Am. ed.

DEPRECIATION OF FOREIGN GOVERNMENT BONDS

IN THE LONDON MARKET.

From the circular of Messrs. Valentine & Co., 173 Fenchurch Street, London.

Issue.	*Price Issued at*	*Stock.*	*Per cent.*		*Terminating in*	*Price on Jan. 2.*
£2,500,000	72½	Argentine	6	1868	1890	95½
1,700,000	68	Bolivia	6	1872	1898	36
3,820,000	88	Brazil	4½	1863	—	—
3,756,756	74	"	5	1865	1903	97½
3,375,000	89	"	5	1871	—	97½
1,034,700	88	Buenos Ayres	6	1870	1903	92
2,000,000	84	Chili	6	1867	1891	100
1,012,700	83	" (Railway Loan)	5	1870	1902	93
2,276,500	94	"	5	1873	1900	92
1,000,000	72	Costa Rica	6	1871	1895	31
916,000	86	Danubian	7	1864	1888	95½
1,264,420	71	"	8	1867	1890	100
3,387,000	90	Egypt (Pash.)	7	1866	1881	90
2,080,000	90	"	9	1867	1881	100
11,890,000	75	"	7	1868	1898	83½
7,142,860	75	" (Khedive)	7	1870	1890	74½
10,000,000	85	French	6	1870	1906	101½
2,500,000	80	Honduras	10	1870	1885	16
3,000,000	81	Hungarian	5	1871	1903	72½
20,000,000	71	Italian	5	1861	—	59¼
1,782,000	74	" (Marem.)	5	1862	1961	62
9,404,762	81⅜	Tob. 6 p. c. L., Gu. by Ital. Gov.	–	—	1884	94
1,000,000	98	Japan	9	1870	1882	108
10,241,650	—	Mexican	3	1846	—	16¼
1,000,000	80	Paraguay	8	1871	1893	31
2,000,000	85	"	8	1872	1893	—
11,920,000	81¼	Peru	6	1870	1904	60
65,000,000	—	Portuguese	3	1853-69	—	43
15,000,000	94	Russian	5	1862	1882	96½
12,000,000	81½	"	5	1871	1954	96
15,000,000	89	"	5	1872	1954	96
757,700	70	San Domingo	6	1869	1894	22
103,540,000	29½	Spanish Cons.	3	1870	—	17¼
2,318,100	80	" Quicksilver	5	1870	1900	77
5,245,563	80	" Land	6	1871	1888	58
36,363,636	50	Turkish	5	1865	1903	46½
6,000,000	65½	" (Mutton)	6	1865	1886	62
22,222,220	60½	"	6	1869	1902	56¼
5,700,000	73	"	6	1871	1907	60
3,500,000	72	Uruguay	6	1871	1893	76

THE TREASURY POLICY OF FIFTY YEARS.

Opinions of Secretaries HAMILTON, DALLAS, CRAWFORD, RUSH, TANEY *and* WOODBURY,

ON THE CURRENCY, PUBLIC CREDIT, &c.

Continued from April No., page 825.

VI. ROGER BROOKE TANEY,

Secretary of the Treasury from 23d September, 1833, *to May,* 1834.

It is a fixed principle of our political institutions, to guard against the unnecessary accumulation of power over persons and property in any hands; and no hands are less worthy to be trusted with it than those of a moneyed corporation. In the selection, therefore, of the State banks as the fiscal agents of the Government, no disadvantages appear to have been incurred on the score of safety or convenience, or the general interests of the country, while much that is valuable will be gained by the change. I am, however, well aware of the vast power of the BANK OF THE UNITED STATES, and of its ability to bring distress and suffering on the country. This is one of the evils of chartering a bank with such an amount of capital, with the right of shooting its branches into every part of the Union, so as to extend its influence to every neighborhood. The immense loan of more than twenty-eight millions of dollars suddenly poured out, chiefly in the Western States, in 1831, and the first four months in 1832, sufficiently attests that the bank is sensible of the power which its money gives it, and has placed itself in an attitude to make the people of the UNITED STATES feel the weight of its resentment, if they presume to disappoint the wishes of the corporation. By a severe curtailment, it has already made it proper to withdraw a portion of the money it held on deposit, and transfer it to the custody of the new fiscal agents, in order to shield the community from the injustice of the BANK OF THE UNITED STATES. But I have not supposed that the course of the Government ought to be regulated by the fear of the power of the bank. If such a motive could be allowed to influence the legislation of Congress, or the action of the executive departments of the Government, there is an end to the sovereignty of the people; and the liberties of the country are at once surrendered at the feet of a moneyed corporation. They may now demand the possession of the public money, or the renewal of the charter; and if these ob-

jects are yielded to them from apprehensions of their power, or from the suffering which rapid curtailments on their part are inflicting on the community, what may they not next require? Will submission render such a corporation more forbearing in its course? What law may it not hereafter demand, that it will not, if it pleases, be able to enforce by the same means?

If the estimate I have made of the proportion between the paper circulation, and the specie in possession of the banks be correct, or nearly so, the condition of the currency is obviously such that the nation should not be content with it, nor desire to continue it in its present state. It is an immense superstructure of paper, resting on a metallic foundation too narrow to support it. It has never been sustained by its own inherent strength, but by public confidence. When every one firmly believes that the notes of the banks will, on demand, be paid in coin, they readily circulate, and answer all the purposes of money. But the moment that confidence is impaired, they lose their value as a part of the circulating medium, and are returned upon the banks for redemption in specie; and the disproportion between the paper circulation and the coin prepared to redeem it is so great, that it is constantly liable to have its chief support *(public confidence)* withdrawn from it.

VII. Levi Woodbury,

Secretary of the Treasury from 27th June, 1834, *to 4th March*, 1841.

While our country has, of late years, become more commercial and wealthy, and has a larger portion of specie in use, (which circumstances would somewhat increase the necessary and proper amount of circulation per head,) it has, as counteracting causes to these, greatly increased in the ease and quickness of communication, whether by mail or otherwise, and in the use of bills of exchange and drafts, instead of money, for distant operations.

Hence our circulation during the past twelve months, at $ 8.50 and $ 10 per head, is deemed excessive, and, as in 1816, one great cause of the exorbitant prices which have prevailed in relation to almost every article, as well as of the extraordinary propensity to overtrading and speculation which has pervaded almost every section of the country. It is true that, during a few months past, the paper portion of our circulation has, as before suggested, been considerably reduced; but till that, with our present large amount of specie in circulation added, falls as low as about $ 7 per head, or the bank notes to about $ 80,000,000 instead of $ 120,000,000, the currency may be considered as too redundant, and in an unnatural and inflated condition.—*December*, 1836.

But even now, the excess has been sufficient to constitute the chief cause for the artificial augmentation in prices—an unnatural stimulus to speculation, and a rapid vacillation in the regular modes of doing business, which cannot, under sound views of political economy, be too greatly deprecated, or their recurrence too carefully guarded against.

These sudden and great vibrations in the value of property, labor, and debts, however produced, or however flattering to many at first, are in the end dangerous to all classes, as well as ruinous to commerce and every species of regular industry.

But should paper issues, according to anticipation, continue to be reduced, as during the four months past, by the natural and conservative reaction of commercial causes at home and abroad, and by the general wise and increasing discontinuance of the use of small bank notes, through State legislation, and provisions of a similar character and tendency by Congress, as at the last session, in the general appropriation act, and in the deposit law, and by the diminished receipt of all bank notes, the last few months, at the different land offices, for the sales of the public domain, a sounder and a less artificial state of things will ere long return.

It is conceded that these disproportionate issues by banking institutions are, in fact, much more frequent in regions where the number of banks is small than where it is large, provided their charters be similar in omitting prudent limitations; because, in the former case, there is less vigilance, caution, and correction, produced by the jealousies and interests of rival institutions, to prevent excessive issues and irregular and dangerous discounts.

But the tendency to excessive trading, excessive credits, and rash enterprises, is so strong, and sometimes ungovernable, in individuals, and in some respects equally or more so in corporations, as to endanger the stability of both banks and business, unless the power to manufacture paper money is carefully restricted and wisely regulated. The present amount of bank capital, as well as its increase for some years past, is another kindred topic of some interest.

But whatever obstacles may still exist to a *general resumption of specie payments*, few can doubt that as early a one as can be sustained is urgently demanded by the strongest obligations of morals and law; by justice to the public creditors, consisting of numerous contractors, mechanics, laborers, and pensioners, as well as officers; and by all the true interests of the people, whether in private affairs, or in the concerns of their government. In both are their interests in this respect inseparably connected; and in both do they severally suffer by depreciated paper, as the tax thus imposed finally reaches the community in either case, and usually

in a ratio quite equal to the rate of discount on the paper below specie. *The powers of the general government* to *hasten* such a resumption, are circumscribed to the use of some constitutional authority of a restrictive or penal character—such as taxation; or a bankrupt law, when the suspension appears in its origin or long continuance to be clearly unjustifiable; or, when otherwise, to the furnishing of some incidental aid in the exercise of other rights. The latter course is the only one which, during the present suspension, it has yet appeared proper to adopt.—*December*, 1837.

Nothing more seems to be necessary to perpetuate the present healthy action of the currency, except a rigid adherence to the system of policy which, by honest and resolute efforts, has produced the improvement. It cannot but be wise, in respect to the circulating medium, for the general government to persevere in a course which prepared the country better to meet, and quickly carried it through, so fearful a crisis. It would seem prudent, likewise, for the States, profiting by past experience, to insist on reform in their banking institutions, and particularly on greater self-denial in their business, by imposing additional checks on over-issues, and stronger limitations to excessive discounts. The present system, if unchecked, has inherent defects of an alarming character; and, without indulging in timid misgivings or unjust suspicions, it may be said to tend, by its expansions and inevitable contractions, to unsettle frequently the value of labor as well as of the whole property of the country.—*December*, 1838.

DANIEL WEBSTER ON THE CURRENCY.

There are some political evils which are seen as soon as they are dangerous, and which alarm at once as well the people as the Government. Wars and invasions, therefore, are not always the most certain destroyers of National prosperity. They come in no questionable shape. They announce their own approach, and the general security is preserved by the general alarm. Not so with the evils of a debased coin, a depreciated paper currency, or a depressed and falling public credit. Not so with the plausible and insidious mischiefs of a paper-money system. These insinuate themselves in the shape of facilities, accommodation, and relief. They hold out the most fallacious hope of an easy payment of debts, and a lighter burden of taxation.

—*Speech in the House of Representatives, April* 26, 1816.

Very special cases may, perhaps, furnish exceptions; but there is in general, no security for the credit of paper, but the ability of those who emit to redeem it. Whenever bank notes are not convertible into gold and silver at the will of the holder, they become

of less value than gold and silver. All experiments on this subject have come to the same result. It is so clear, and has been so universally admitted, that it would be waste of time to dwell upon it. The depreciation may not be sensibly perceived the first day, or the first week, it takes place. It will first be seen in what is called the rise of specie; it will next be seen in the increased price of all commodities. The circulating medium of a commercial community must be that which is also the circulating medium of other commercial communities, or must be capable of being converted into that medium without loss. It must be something which has a value abroad as well as at home, and by which foreign as well as domestic debts can be satisfied. The precious metals alone answer these purposes. They alone, therefore, are money, and whatever else is to perform the offices of money must be their representative, and capable of being turned into them at will. So long as bank-paper retains this quality, it is a substitute for money; divested of this, nothing can give it that character. No solidity of funds, no sufficiency of assets, no confidence in the solvency of banking institutions, has ever enabled them to keep up their paper to the value of gold and silver any longer than they paid gold and silver for it on demand. This will continue to be the case so long as those metals shall continue to be the standard of value, and the general circulating medium among nations.—*Speech in the House of Representatives, January* 2, 1815.

We are in danger of being overwhelmed with irredeemable paper, mere paper, representing not gold nor silver; no, sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors, and a ruined people.

—*Speech in the Senate*, 1833.

But what is meant by the "Constitutional currency," about which so much is said? What species or forms of currency does the constitution allow, and what does it forbid? It is plain enough that this depends on what we understand by *currency*. Currency in a large, and perhaps in a just, sense, includes not only gold and silver and bank-notes, but bills of exchange also. It may include all that adjusts exchanges and settles balances in the operations of trade and business. But if we understand by currency the *legal money* of the country, and that which constitutes *a lawful tender for debts*, and is the statute *measure of value*, then, undoubtedly nothing is included but gold and silver. Most unquestionably there is no legal tender, and there can be no legal tender, in this country, under the authority of this Government or any other, but gold and silver, either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle, perfectly plain, and of the very highest im-

portance. The States are expressly prohibited from making anything but gold and silver a tender in payment of debts; and although no such express prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts. Congress has exercised this power fully in both its branches. It has coined money and still coins it; it has regulated the value of foreign coins and still regulates their value. The legal tender, therefore, the constitutional standard of value, is established, and cannot be overthrown. To overthrow it would shake the whole system.

—*Speech in the Senate, U. S., December* 21, 1836.

MORE CURRENCY.—We read in a late Philadelphia paper which is advocating more currency, these words, "Business languishes for want of currency," and yet inquiry at any of the Philadelphia banks any time within a month past would have elicited the fact that all of them were in want of good business paper, which they were anxious to discount at the lowest legal rate of interest. Business does not languish for want of currency but for want of confidence in the future. Notwithstanding the severe shock by the panic of September its last vestiges are disappearing, and currency is so abundant at all the large cities that special inducements have to be resorted to to find employment for it. It cannot be that the country wants more currency when the interior, having no profitable use for it at six per cent., sends it to the large cities in immense volume, in order to make it earn three per cent., which, if it is earned at all, is done by fostering stock speculations through immense deposits at the city banks.—*Philadelphia Ledger.*

N. B.—Money abundant in New York at four to five per cent. More lenders than borrowers.—*Ed. B. M.*

CHANGES IN THE COINAGE.—Mr. HOOPER, of MASSACHUSETTS, from the Committee on Coinage, reported a bill in Congress to amend the Coinage act of the 12th of February, 1873. He explained the bill, which is merely technical in its provisions, and it was passed.

Mr. HOUGHTON, of CALIFORNIA, from the same committee, reported a bill to establish Assay Offices at St. Louis, Chicago and Helena, [MONTANA]. Referred under a point of order to the Committee of the Whole.

Mr. HOOPER reported another bill to amend the Coinage act of 1873, by making the charges for the coinage of gold and for converting silver into trade dollars depend upon the rates, to be fixed from time to time by the Director of the Mint, so as to equal, but not exceed, the average cost at each Mint and Assay Office.

THE NEW HOLIDAY LAW OF NEW YORK.

CHAPTER 577.—An act to amend an Act entitled "An Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy. Passed May 22, 1873.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section one of an act entitled "An Act to amend an Act entitled an Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy, is hereby amended so as to read as follows:

SEC. 1. The following days, namely: The first day of January, commonly called New Year's Day, the twenty-second day of February, the fourth day of July, the twenty-fifth day of December, any general election day, and any day appointed or recommended by the Governor of this State or the President of the UNITED STATES as a day of thanksgiving, or a day of fasting or prayer, or other religious observance, the thirtieth day of May, to be known as decoration day—shall, for all purposes whatsoever, as regards the presenting for payment or acceptance and of the protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after the passage of this act, be treated and considered as the first day of the week, commonly called Sunday and as public holidays.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next following shall be deemed and considered as the first day of the week, or Sunday and a public holiday—for all or any of the purposes aforesaid; and all bills of exchange, checks and promissory notes, which shall, with or without grace, become due and payable **on Sunday**, or on any of the days mentioned in the preceding section, or on any Monday kept, as aforesaid, as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

SEC. 3. All acts, or parts of acts, inconsistent with this act are hereby repealed; but such repeal shall not affect any act done, or proceeding or suit instituted prior to the passage of this act.

SEC. 4. This act shall take effect immediately.

Owing to a singular error in the above law, in including the

words "on Sunday," the law was amended under date May 29th, as follows:

Passed May 29th, 1873.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next following shall be deemed and considered as the first day of the week, or Sunday, and a public holiday for all or any of the purposes aforesaid, and all bills of exchange, checks, and promissory notes made on or after the 22d day of May, 1873, which shall, with or without grace, become due and payable on any of the days mentioned in the preceding section, or on any Monday kept as aforesaid as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

LEGAL HOLIDAYS IN NEW YORK, 1873.

Holidays.				*Paper will be payable.*	
Tuesday	November 4,	1873	..	Wednesday ..	November 5.
Thursday	December 25,	1873	..	Friday	December 26.

LEGAL HOLIDAYS IN 1874.

Thursday	January 1,	1874	..	Friday	January 2.
Monday	February 23,	1874	..	Tuesday	February 24.
Saturday	May 30,	1874	..	Monday	June 1.
Saturday	July 4,	1874	..	Monday	July 6.
Tuesday	November 3,	1874	..	Wednesday ..	November 4.
Friday	December 25,	1874	..	Saturday	December 26.
Thanksgiving.	November —,	1874	..	....	....

Commercial paper due on either of the above holidays will be payable on the next business day.

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1. *When is paper to be paid that comes due on Sunday?*

The Holiday Law of 1873, as amended, notices no change in the law as to notes maturing on Sunday, except as to notes dated between May 22, 1873, and May 29, 1873.

Notes dated between those days, maturing on Sunday, are payable Monday—all others maturing on Sunday are payable Saturday. When a holiday falls on Saturday the Sunday paper will be payable on Friday; unless dated between above-named days, when it will be due Monday.

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2. *When is holiday paper payable if the holiday is not followed or preceded by a Sunday?*

There is a doubt in the law on this point. The first section of the Holiday Law of 1873 says the holidays shall be treated as

Sunday. The second section, as amended May 29, declares all notes due on the holiday, or Monday kept as a holiday, shall be payable the following day.

On one side it is argued that all holiday paper goes over to the following day. On the other hand it is claimed that the second section of the act only relates to the contingency when the holiday falls on Sunday.

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3. *When a holiday falls on Sunday the following Monday may be observed. When must paper, due on that Sunday and that Monday, be paid?*

On the following Tuesday.

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4. *When the holiday falls on Monday, when is paper of that Monday and the previous Sunday to be paid?*

Paper due on the Sunday, on the Saturday; except that dated between May 22 and 29, 1873, which latter goes over till Tuesday. Paper due on the Monday, doubtful, coming within the question No. 2 above answered.

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5. *When a holiday falls on Saturday, when is the paper of that Saturday and the following Sunday to be paid?*

Sunday's paper (unless dated between 22 and 29 May, 1873,) on Friday; in the excepted case on Tuesday. Saturday's paper, doubtful, as coming within the above rule.

A doubt has been expressed as to the ability of the Legislature to pass a law, changing the maturity of paper, so as not to leave a question open.

The subject is of so much importance and involves so much risk under the law of protest, as to subject the law to the severest criticism as to its construction, and banks cannot afford to run any risk.

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 776, April No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of March, 1874, compared with the same period in the years 1869–73.

MARCH.		1874.	1873.	1872.	1871.	1870.	1869.
1	**Sunday**	**Sun.**	**14⅝** 15⅛	10 10¼	10¾ 11⅛	15 16	31 32⅛
2	Monday...	12⅛ 12½	**Sun.**	10⅛ 10⅜	10¾ 11	15¾ **16⅜**	31¾ **32½**
3	Tuesday ..	12⅛ 12⅜	14⅞ 15¼	**Sun.**	10⅞ 11¼	15⅛ 15⅝	31⅝ 32½
4	Wednesday	11¾ 12¼	14¾ 15⅛	10 **10⅜**	10⅞ 11⅛	13⅛ 14	31½ 32
5	Thursday .	11¾ 12⅛	15 15¼	10 10¼	**Sun.**	13½ 14	31 31⅝
6	Friday	11½ 11⅞	15 15⅜	10 10¼	10⅞ 11	**Sun.**	**30¼** 31½
7	Saturday ..	**11¼** 11¾	15¼ 15¾	10 10¼	11 11¼	12½ 13¼	**Sun.**
8	**Sunday**	**Sun.**	15⅜ 15¾	10⅛ 10⅜	11⅛ 11½	10⅞ 12½	31¼ 32
9	Monday...	11½ 11⅞	**Sun.**	10 10¼	11⅜ **11⅝**	**10¼** 11½	30¾ 31½
10	Tuesday ..	11⅝ 11⅞	15 15½	**Sun.**	11⅛ 11⅜	10½ 11¼	31½ 32
11	Wednesday	11⅝ 12	15 15¼	10⅛ 10¼	11⅛ 11¼	12⅜ 13⅞	31⅜ 31⅞
12	Thursday .	11⅞ 12⅛	15 15¼	10⅛ 10¼	**Sun.**	11¾ 12⅝	31 31⅜
13	Friday	11⅝ 12⅛	14⅞ 15¼	**9⅛** 10	11¼ 11⅜	**Sun.**	31⅛ 31⅜
14	Saturday ..	11¾ 12	14¾ 15⅛	10 10¼	11⅛ 11⅜	11⅝ 13⅜	**Sun.**
15	**Sunday**	**Sun.**	14¾ 15⅛	10 10¼	11⅜ 11½	11⅝ 12⅜	30⅞ 31⅝
16	Monday...	11⅞ 12¼	**Sun.**	10⅛ 10¼	11⅜ 11½	11¾ 12¼	31⅜ 31¾
17	Tuesday ..	11⅞ 12¼	15 15½	**Sun.**	11⅛ 11½	12 12¾	31⅜ 31⅞
18	Wednesday	11¾ 12	15¼ 15⅝	10 10¼	11 11⅛	11⅞ 12¼	30¾ 31¼
19	Thursday .	11¾ 12	15¼ 15½	9¾ 10⅛	**Sun.**	12 12⅝	30½ 31⅜
20	Friday	11¾ 12	15½ 15¾	9¾ 10	10⅞ 11⅛	**Sun.**	30¾ 31⅛
21	Saturday ..	11⅝ 12	15⅜ 15⅝	9¾ 9⅞	11 11¼	12¼ 12¾	**Sun.**
22	**Sunday**	**Sun.**	15½ 15¾	9¾ 9⅞	10⅞ 11⅛	12¼ 12½	31 31¾
23	Monday...	11⅝ 11⅞	**Sun.**	9¾ 10	10⅞ 11⅛	12¼ 12¾	31 31¼
24	Tuesday ..	12 12¼	15¼ 15¾	**Sun.**	10¾ 11	12¼ 12⅝	31¼ 31½
25	Wednesday	12 12½	15⅜ 15¾	9¾ 9⅞	10¾ 10⅞	11¾ 12⅜	31 31¼
26	Thursday .	12⅜ 12¾	15¾ 16¼	9¾ 10	**Sun.**	11⅜ 11¾	Good Fri.
27	Friday	13 13½	15⅞ 16½	10 10¼	10½ 10¾	**Sun.**	31 31¼
28	Saturday ..	12⅞ 13¼	16⅜ 16¾	10⅛ 10½	10⅛ 10½	11⅜ 11¾	**Sun.**
29	**Sunday**	**Sun.**	16½ 17	Good Fri.	10⅛ 10⅜	11⅝ 12	31⅛ 31½
30	Monday...	12¾ 13½	**Sun.**	10 10⅛	**10⅛** 10⅜	11¾ 12⅛	31⅜ 31½
31	Tuesday ..	13¼ **13⅝**	16¾ **18½**	**Sun.**	10⅛ 10½	11⅞ 12¼	31¼ 31½

Lent continues from February 18 to April 5th.

MONTHLY PREMIUM ON GOLD AT NEW YORK, 1868–73.

DATE.	1868.	1869.	1870.	1871.	1872.	1873.
January ..	33¼ 42¼	34⅝ 36¾	19⅝ 23¼	10½ 11¼	8⅛ 10⅛	11⅝ 14¼
February .	39⅝ 44	30⅞ 38⅛	15 21½	10¾ 12¼	9½ 11	12⅞ 15⅛
March ...	37⅞ 41⅜	30¼ 32½	10¼ 16⅜	10⅛ 11⅝	9¾ 10½	14⅝ 18½
April	37¾ 40⅜	31⅜ 34¾	11½ 15⅝	10⅛ 11¾	9⅞ 13¼	16¾ 19½
May......	39⅛ 40½	34⅛ 44¾	13¾ 15½	11 12¼	12⅛ 14⅜	16⅝ 18⅝
June	39⅜ 41¼	37 39⅝	10⅞ 14¾	11¾ 13⅛	13 14¾	15 18¼
July	40¼ 45¼	34 37⅞	11⅛ 22¾	11¾ 13⅝	13½ 15¼	15 16⅜
August ...	43½ 50	31¼ 37⅝	14¾ 22	11⅝ 13¼	12½ 15⅝	14⅜ 16¼
September	41⅛ 45⅛	30¾ 62½	12¾ 16¾	12¾ 15⅜	12¾ 15⅛	10⅞ 16⅛
October...	33¾ 40½	28⅛ 31¾	11⅛ 14¼	11½ 15	12¼ 15⅛	7⅝ 11¼
November	32⅛ 37	21⅛ 28⅜	10 13½	10⅜ 12⅜	11⅜ 14¼	6⅛ 10½
December.	34⅜ 36¾	19¼ 24	10¼ 11⅜	8⅜ 10⅜	11⅜ 13½	8⅜ 12⅝

For daily price of gold from January, 1862, to December, 1872, see *Banker's Almanac*.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to April 1, 1874.

	January 1, 1869.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*February* 1, 1874.	*April* 1, 1874
INTEREST PAYABLE IN COIN:						
5-per-cent. Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 195,562,300	$ 194,567,300
New Loan of 1871, 5 per cent.	....	....	96,997,650	200,000,000	298,458,750	314,416,150
6-per-cent. of 1881	283,677,400	283,678,100	283,681,200	283,681,350	283,681,350	282,736,350
6 per-cent. 5-20s	1,602,568,650	1,437,099,300	1,258,610,550	1,058,402,800	935,046,800	931,926,800
	$ 2,107,835,350	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,712,749,200	$ 1,723,646,600
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railr'd	$ 50,097,000	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	55,865,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 119,962,000	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes	$ 7,463,503	$ 7,315,822	$1,739,938	$ 4,084,220	$ 15,176,550	$ 6,852,800
BEARING NO INTEREST:						
United States Notes	$ 356,021,073	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 381,794,030	$ 382,076,837
Fractional Currency	34,215,715	39,995,089	40,767,877	45,722,063	47,793,333	49,102,660
Gold Certificates of Deposit	27,036,020	26,149,000	36,049,700	23,263,000	45,004,000	37,045,000
Currency do. do.	....	....	....	25,370,000	45,560,000	51,720,000
	$ 417,272,808	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 520,151,363	$ 519,944,497
Aggregate Debt	$ 2,652,533,662	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,327,378,625	$ 2,329,745,409
Coin and Currency in Treasury	111,826,461	138,086,572	127,294,320	109,605,849	135,700,575	142,367,830
Debt, less coin and currency.	$ 2,540,707,201	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,191,678,050	$ 2,187,377,579

Coin in the Treasury, April 1, 1874, $ 86,121,379; Currency, $ 56,246,451; total, $ 142,367,830.

COINS, COINAGE AND BULLION.

1. *Prevention of Frauds on Coins.* 2. *Production of Gold and Silver in* 1872 *and* 1873. 3. *Old Coins Recently Discovered.* 4. *A Coinage Map.* 5. *Debased Mexican Silver.* 6. *Silver Coin in San Francisco.* 7. *Nickel in Coinage.* 8. *Reported Gold Discoveries.* 9. *Separating Float Gold.* 10. *Working Silver Ores.* 11. *Separation of the Precious Metals.* 12. *Gold from Iron Pyrites.* 13. *Value of Foreign Coins.* 14. *New Medals.*

I. PREVENTION OF A FRAUD UPON OUR GOLD COINS.

BY WILLIAM E. DUBOIS.

From the *American Journal of Numismatics*, January, 1874.

The Hon. H. R. LINDERMAN, Director of the Mint, has just presented an admirable report on the condition and work of the institution under his charge. It will attract attention from numismatists throughout our country, and is a valuable contribution to our knowledge on the subject of the coinage. Dr. LINDERMAN requested the assayer, Mr. WILLIAM E. DUBOIS, to supply him with information as to certain experiments made at the Mint, several years ago, having for their object the better protection of the gold coin, by making them thinner and concave. In response to that request, Mr. DUBOIS submitted the following paper:

United States Mint at Philadelphia,
Assayer's Office, Oct. 15, 1873.

I take pleasure in responding to the inquiry contained in a letter from the Director, on the steps that were taken here, some years ago, toward a prevention of the fraud of "filling" our gold coins.

These examinations and experiments were made September to November, 1860, thirteen years ago. I may state that it mainly fell to my lot to conduct them, but I had the indispensable counsel and co-operation of Mr. ECKFELDT, the late assayer, and Mr. LONGACRE, the late engraver.

They were brought about by the startling discovery, at the Treasury of the UNITED STATES in New York, of our gold eagles (ten-dollar pieces) having their interior taken out and replaced with a disk of platinum, a heavy and high-priced metal, of about one-third the value of standard gold.

This was neatly covered in by a soldered rim of gold, the whole presenting a genuine surface, and without fault as to weight, diameter, thickness, or sonority. Along with these pieces we had the benefit of experiments by Dr. TORREY, the late assayer of the United States Assay Office, at New York, so far as determining the composition of the pieces, and afterward we conferred with him personally as to the best means of prevention and detection.

Before stating our results and conclusions at that time, allow me here to insert that, just now, I am engaged in the examination of other filled pieces of larger and smaller denominations, lately sent to me by the able and vigilant chief of the Coin Department in the United States Treasury, at New York, GEORGE ASHLEY, Esq., along with other pieces of fraudulent make, but of a different sort. This was the first time that I was aware that the platinum filling had been practised upon any other size than the eagle, although we had found silver fillings in the half-eagle and quarter-eagle many years ago.

The platinum-filled pieces now on hand are the double-eagle, the eagle, and the half-eagle. The first-named was detected at the BANK OF ENGLAND, and thence sent over. Another double-eagle comes from the New York Treasury, and was detected there. Mr. ASHLEY remarks, "This is the worst fraud we have to contend with."

It seems this trouble is not confined to our coins. Some of the British sovereigns, it is stated, have been filled in the same way. That the large, thick double-eagles should be thus tampered with is not surprising, but we are compelled to wonder at their operating on half-eagles and sovereigns.

Now, without spreading abroad the way in which this thing is done (for that would serve no good purpose), let us look at the make-up of one of these filled coins. What with the two genuine outsides, the false inside, the new ribbed rim, and the solder, there are present no less than four separate pieces and five distinct metals, all put together with such nicety that none but an expert can tell the bad coin from the true.

Not to alarm the Government or the public, we have good evidence, so far, that the fraud is not much practised, and does not ordinarily go long undetected.

First, it is a slow way of making money, even for a consummate workman, and no second-rate man can do it; and, secondly, most of our coins soon find their way to the government treasuries, and there they have experts who can throw these pieces out at a glance or a touch, without being fully aware of the reason why. This remarkable faculty, possessed by Mr. TANDY, of the New York Treasury, more than by any other man we know of, reminds me of what was said of a money changer in ancient Rome, that "he could see brass through silver." And it is some comfort to know that this over-laying art is not a new

thing. Even the barbarous Germans, among whom the Roman denarii were current, were so suspicious of it that they made notches all around the coin to see what was inside; and some of these pieces, looking much like a circular saw on a small scale, have been handed down to our day and may be seen in rare collections. The Roman or Greek counterfeiter, however, was not to be named, in point of skill, with the rascals of modern times.

I should also mention that, with all the vigilance of Mr. ASHLEY and Mr. TANDY in New York, of similar officers in Philadelphia and elsewhere, so few of these altered pieces have yet appeared as to justify us in concluding, as above remarked, that the fraud is not extensively practised. Still it is very mischievous and injurious, and every means should be used to protect the treasury and the community from these losses of several dollars on a single piece of money.

Before proceeding to offer some suggestions in regard to the best mode of prevention, I would say a few words as to the best mode of detection. When, as already remarked, it is found that these filled pieces are right, or very nearly so, in weight, size, and sound, and have a genuine exterior, it must be apparent that our resources are very much cut down. There is usually, however, a slight discoloration, probably arising from heat during the soldering process. This cannot be much relied on, for a good piece may be discolored in the same way.

The test of specific gravity is one which they have not been able, and perhaps have not tried, to set at naught. Filling with plates of silver was abandoned by these artists, because that metal is not much more than half as heavy as gold, and so the reformed coin was either too light or else too thick. Platinum is a little heavier than gold, and although a scarce and dear metal, and hard to work, it was found to answer the purpose. However, this addition invariably makes the specific gravity of the coin too great, and that by a difference so considerable that the fact of filling can be assured without laying the piece open or impairing it in any way.

To come to figures: a genuine gold coin of the UNITED STATES (of any size, of course), will show the specific gravity about 17.20; or, if somewhat paled with silver alloy, as they were many years ago, perhaps as high as 17.30; that is to say, by way of explanation to those who have forgotten how specific gravity is found, between the weight of the coin in air and its weight in water there is a difference; which, as a divisor for the first weight, gives a dividend as above.

But we find that the double-eagle when filled shows a specific gravity 18.76, while the eagle and the half-eagle show specific gravity about 17.75 to 17.95. These differences are to be expected. We have no suggestions to make for the use of the criminals who are thus employed; they know very well that to

attempt to adjust the specific gravity, along with all the other points, would increase their work and render it unprofitable.

Still, this sure method calls for very good apparatus, some skill and practice, and a little time, say five minutes; more time than a teller can spare. So that, in a public office, it is extremely desirable to have such a man as Mr. TANDY, or our Mr. COBB. (No doubt a larger acquaintance would enable us to give other names, if needful.)

While I am on this point, allow me to repeat what was said in a former communication, that we find the difference of specific gravity quite as wide in the case of the new class of counterfeits, the five-dollar piece of 1872, regularly made and struck, but debased about six per cent. These pieces show specific gravity about 16.46; say, in round terms, 16.50. Thus, while the filled piece is too high, this is as much too low. It would be a very difficult matter indeed to elude this test.

Now, in regard to the *prevention* of the *fraud* of *filling*, only *two* modes seem to be worth considering.

First, the door to this business is at the rim or periphery of the coin; the place where the reeding stands as a sort of *chevaux-de-frise* to keep out intruders. It would be a good thing to strengthen the defences at this circumvallation; in plainer terms, to fashion the rim so that it cannot be tampered with or imitated without easy detection. Formerly we milled a legend, in sunken letters, on this part of our silver half-dollars.

In FRANCE and BELGIUM, and recently in SPAIN, the gold coins are protected in the same way, but with raised letters; while in the GERMAN EMPIRE, and some other countries, the thing is done as we used to do it.

Undoubtedly, it would be far more difficult to imitate or renew this lettering, whether raised or sunken, than the rib or reeding. They do that by making a new band, and going over it by the mechanical operation of a "nurling machine." Men of great skill *may* make the lettered edge, so as to be a fac simile, according to the truism, "What one man can do, another man may do;" but I am strongly of the opinion that it would take too much time and labor to pay well. At any rate it seems worth while to make the experiment.

The *other mode* to be considered, is to return to *thin* gold coins, and cease (or nearly cease) from issuing any of a larger denomination than ten dollars.

This may displease those who deal in large sums, and like to count by twenties. But if gold is ever to be a real currency it must be made to suit the man of one piece, no less than the man of a million. And with a cheap counting machine, such as we have in the Mint, the great objection will vanish.

I speak of it as a *return*. Formerly our gold coins were thin pieces; so were those of ENGLAND and the European continent

generally. The ducat, or sequin, a small, thin piece, was for ages the current coin of civilized and barbarous nations. The fourfold ducat of AUSTRIA is so thin as to be out of proportion to its broad diameter; yet it is a coin of great beauty and well struck up.

There is, it is true, a sightly and scientific proportion in the diameter and thicknesses of our gold coin since the remodeling in 1834, and especially in 1837. But this proportion has been twice set aside without offending good taste. The gold dollar had to be made thinner, to escape popular complaint; and the three-dollar piece had to be spread out to make it distinctive.

A very thin coin would be easily bent and abused; but that is an extreme not contemplated. The coin should only be thin enough to make it troublesome and unprofitable to be sawed through (on edge), to insert a plate. In fine, instead of attempting to get up an artistic impossibility, the writer would take advantage of an economic inexpediency, and there find the remedy.

A few words and figures as to dimensions. How thin should our gold coin be, and what should be the largest?

They should be made thinner at or about the centre, than they are at the edge. To a slight degree this is done already, but not enough; and this concavity should be double: that is, on both sides of the coin. Of course, it will be understood that this is to be produced by convexity of the dies.

It has long been the usage here to measure or regulate coins by twentieths of an inch for diameter, and by thousandths of an inch for thickness. Then it is proposed:

1. The ten-dollar piece, or eagle, to be of the diameter of 29 twentieths (1.45), which is one-twentieth less than the silver dollar, and two-twentieths more than the double-eagle; to be 35 thousandths thick at the edge, curving down to 25 toward the centre. At 25 we have the thickness of the old gold dollar.

No *wider* gold coin than this would be admissible, or desirable; but to comply with the law, and for special purposes, we might strike pieces of $ 20, as they are now; the holders to run the risk of the evil we are fighting against.

2. Five-dollar piece, or half-eagle, diameter 21 twentieths (1.05), which is the same as the present eagle. Double concave, 30 thousandths at edge, 25 at centre.

3. Three-dollar piece, diameter 18 twentieths, at present 16; thickness, 25 thousandths, at present 34. This coin, and the lesser ones, need not be of the dishing-shape.

4. Quarter-eagle, diameter, 16; thickness, 25.

5. Gold dollar as at present.

It is further suggested, that this extension of diameter should not be in lieu of lettering on the edge, but that the latter should also be used, or tried, as far as thickness will admit.

It may be objected, that increase of surface exposes to increased abrasion. Numerous experiments here, not necessary to detail, prove that this is not the fact. It is also opposed to the philosophy of the case. As was stated by Mr. LONGACRE, formerly our engraver, a thin steel plate for bank-note engraving outlasts a thick one, from the fact that it has received a greater compression and condensation in preparing it. More than that, a compact, thick coin falls more heavily, and rubs more intensely, than an expanded, thin coin of the same weight. It is the far more frequent *use* of small coins which makes them wear more than large ones.

At the time we were experimenting, a five-dollar pattern was made, in copper, according to the shape proposed.

I am, very respectfully, your obedient servant,

WM. E. DUBOIS, *Assayer.*

P. S.—Since the foregoing was in print, I have been asked by Mr. ASHLEY, "Would the *concavity* of a coin injure its *sonority?* The latter quality is an almost indispensable consideration. I should prefer to resort to almost any other expedient, rather than impair this quality. It is the first test usually applied, when a piece is in doubt."

In view of this just remark, it gives me much satisfaction to add, that we made some planchets of standard gold, of different sizes, and of the *dish* shape; and found their sonority more marked than in pieces of the flat form. Indeed, the ring was beautiful, somewhat resembling that of a bell; and for the reason that this shape is slightly similar, although hardly observable.

II. PRODUCTION OF GOLD AND SILVER, 1872, 1873.

From information furnished by Messrs. WELLS, FARGO & Co.

Statement of precious metals produced in States and Territories west of the Missouri River during 1873.

States and Territories.	*Gold Dust and Bullion by Express.*	*Gold Dust and Bullion by other Conveyance.*	*Silver Bullion by Express.*	*Ores and Base Bullion by Freight.*	*Total.*
California ...	$ 15,709,956	$ 1,570,995	$ 264,771	$ 480,000	$ 18,025,722
Nevada......	219,141	43,828	30,183,921	4,807,617	35,254,507
Oregon	1,146,991	229,398	——	——	1,376,389
Washington.	171,951	34,390	3,054	——	209,395
Idaho.......	1,171,131	234,226	938,297	——	2,343,654
Montana	3,241,238	648,247	3,325	——	3,892,810
Utah........	112,003	22,400	1,210,434	3,561,500	4,906,337
Arizona.....	37,074	7,415	3,289	——	47,778
Colorado....	1,856,639	——	839,862	1,386,767	4,083,268
Mexico......	——	——	868,798	——	868,798
B. Columbia.	1,041,626	208,339	——	——	1,250,035
Grand Total, year 1873		——	——	——	$ 72,258,693

The combined product of all, shows—for 1872, $62,236,913; for 1873, $72,258,693—undoubtedly the largest yield, for one year, in the history of the Pacific Coast

CALIFORNIAN MINING DIVIDENDS MADE IN THE YEAR 1873,

which will show the yield of the principal mines now dealt in on the Comstock and elsewhere:

Belcher Mining Company	$6,762,000
Cederberg Mining Company	24,000
Consolidated Amador	150,000
Crown Point Mining Company	5,100,000
Eureka Gold Mining Company	300,000
Meadow Valley Silver Mining Company	180,000
Monitor Belmont	75,000
Raymond and Ely	300,000
Idaho (Grass Valley)	682,000
Keystone (Amador County)	185,000
Black Bear (Klamath County)	45,000
Eureka Consolidated	200,000
Golden Chariot	88,000
Ku-Klux Consolidated	62,500
Minnesota	60,000
Total	$ 14,210,500

These do not include many mines, particularly in CALIFORNIA, which are paying regular dividends to San Francisco owners, and which would, doubtless, increase the above to, say, $ 16,000,000, which is an interest of sixteen per cent. upon a valuation of $ 100,000,000, which would cover the market value of the whole Comstock and fifty millions besides. These are astonishing figures.

III. OLD COIN.—There is deposited by Mr. CHARLES G. NICHOLSON, of J. J. NICHOLSON & SONS, bankers of this city, in the art exhibition, a coin or medal of remarkable antiquity, and which we notice for its rare and exceptional historical interest to numismatists. Its composition is pure bronze and it was coined during the reign of PTOLEMY SOTER of EGYPT. It is somewhat larger than an old Spanish silver dollar and about three times its thickness. The obverse has in bold relief the head of JUPITER AMMON, with the ram's horns and fillet round the head, and the reverse shows the erect figures of two large eagles surrounded by an inscription in Greek. Considering the age of the coin, about 2,200 years, it has been beautifully preserved, the inscription on it being singularly legible and distinct. A host of historical memories are freshened by the possession or sight of this once money representative of a past age. PTOLEMY was born in 367 B. C. and became the founder of the famous Ptolemaic dynasty, which forms one of the most interesting periods of Egyptian History. PTOLEMY SOTER was a natural son of PHILIP II of Macedon and a half brother to the renowned ALEXANDER the Great. In a measure well nigh equal to that

of this celebrated warrior, he inherited the warlike and political abilities of his father. PHILIP of Macedon had conquered EGYPT; but after his death PTOLEMY,* revolting from the almost universal sway of ALEXANDER, seized and held EGYPT as a separate kingdom. His own personal reign extended from 300 to 283 B. C., when he abdicated in favor of his younger son, PTOLEMY PHILADELPHUS. It was during the reign, and under the direct patronage of the elder PTOLEMY, that Alexandria, in EGYPT, became so famous as the great emporium of commerce and the chief seat of learning and art. This was also the period of the founding of the celebrated Alexandrian Library, the greatest repository of the literary treasures of the world. Literature at this period began to stand out as a real profession, and very many of the writers of that distant day have left us indelible marks of their greatness. It was also during this reign of PTOLEMY that EUCLID lived and wrote; the mathematician, of whose works most of us have such keen recollections as we recall our schoolboy days.—*Baltimore American.*

IV. COINAGE MAP.—A curious little map, published in Vienna, called *Coinage of the World*, classifies the nations of the earth into six groups, by variously colored lines surrounding them, according to the character of their coin currency. The tables accompanying the map state that the first group, which is the domain of the gold dollar, contains a population of 88,000,000 inhabitants. It composes the UNITED STATES, most of the BRITISH NORTH AMERICAN COLONIES, CUBA, PORTO RICO, CHILI, URUGUAY, THE ARGENTINE REPUBLIC, BRITISH GUIANA, JAPAN, and MALTA. The domain of the silver dollar, which embraces MEXICO, CENTRAL AMERICA, most of SOUTH AMERICA, SPAIN, EGYPT, the West and North-East coast of AFRICA, and the whole of the CHINESE EMPIRE, has a population of 532,000,000. The pound sterling is the currency of 35,000,000 people only, inhabiting GREAT BRITAIN and IRELAND, the BERMUDAS, JAMAICA, and AUSTRALIA. The franc circulates among 74,000,000 people, in FRANCE, BELGIUM, ITALY, SWITZERLAND, ALSACE, LORRAINE, and all the French colonies. The countries using sundry gold valuations not included in any of the above groups are TURKEY, MOLDAVIA, WALLACHIA, BRAZIL, PORTUGAL, PERSIA, and TURKISTAN, and have a population of 66,000,000. The last group, comprising countries whose unit of value is a silver coin of various kinds other than the dollar, has 492,000,000 inhabitants. It includes GERMANY, AUSTRIA. DENMARK, SWEDEN, NORWAY, RUSSIA, HOLLAND, GREECE, INDIA, and a number of minor Asiatic and African countries. The author of the map strongly urges the adoption of the gold dollar as the international coin.

* PTOLEMY, after one of the most remarkable and eventful reigns which history records, died 283 B. C.

V. Debased Mexican Silver.—A recent importation of Mexican silver dollars to this market, sold to one of the leading bullion dealing houses, resulted in a serious loss to the purchasers, as they were found, after purchase by our dealers here, to be very much debased. The weight was fully up to the average of that coin, and the mintage was assuredly genuine, as peculiarities of the stamp used for the Government were recognized by parties here who had been connected with the mint in Mexico, and had thereby become familiar with the coinage of that country. After repeated assays here, investigations were made through the departments of Government in Mexico, and the fact discovered that systematic operations had, for some time, been conducted by the night operatives of the mint. It was customary, it appears, to place each operative of the night force apart from all others, in a cage-like structure, by himself, and to provide for the treatment of each one a certain number of "blanks," enough to give occupation for the usual hours of employment. By collusion, it is said, these various parties prepared blanks outside, which were made to contain twenty per cent. more alloy than the standard pieces. These, to the number of twenty or thirty pieces each, would be concealed about the persons of the workmen before they entered upon their work. In the morning when these persons surrendered the pieces upon which they had worked, they included the debased pieces they had carried within the mint; and in place of the latter the pure pieces were carried away, in number equal to that of the base pieces substituted. Thus these parties gained daily about twenty per cent. of the value of the sum which ordinarily constituted their work.

No estimate can be made of the amount of debased coin which has been put into circulation in Mexico.

VI. Silver Coin in San Francisco.—The project to make silver coin a legal tender to the extent of fifty dollars is finding general favor with the public. The old argument that silver coin is bulky, heavy and cumbersome, has lost much of its force. Silver is not cumbersome to tradespeople when it is a legal tender. But when it is from three to five per cent. discount, because it has been outlawed, then it may have some disadvantages for them. The tendency, at such times, is to pay workmen, grocers, marketmen and others, wholly in silver, because there is a gain of from three to five per cent. A fruit grower recently told us that he had received five thousand dollars in silver coin on account of fruit shipped to commission men in this city, during the present season, and had not received a dollar in gold. Commission men, who sell fruit, declare that they are paid almost wholly in silver. The greater the discount on silver the more ready are many to pay it out. They will go to the banker's and exchange gold for silver, pocketing the three or five per cent. as so much profit, and then

hand over the silver coin in payment of bills, which many are only too glad to have liquidated, in hard times. But if silver were a legal tender, say for fifty or a hundred dollars, there would be no such discrimination. The banks would receive it and pay it out, except when there were special contracts to pay in gold coin.
—*San Francisco Bulletin, Oct.* 23.

VII. NICKEL IN COINAGE.—The demand for nickel, the metal used with copper in the manufacture of one-cent pieces and in the three and five-cent pieces, has considerably exceeded the supply; and the manufacturers of the alloy known as German silver have petitioned the Parliament of the German Empire not to still further increase the demand by the introduction of nickel money into that country. The cost of German silver, which contains about one-third of its volume of nickel, has gone up nearly $12 per 220 pounds within a single month. The aggregate annual product of nickel (exclusive of the American product) does not exceed 600 tons, of which English industries alone use one-half. It is used in the token coinage of this country, BELGIUM and SWITZERLAND, and the manufacturers say that if GERMANY should issue a similar coinage, the supply would not be sufficient to enable manufacturers to use it in the production of cheap imitation silver ware, on account of its increased cost.

VIII. REPORTED GOLD DISCOVERIES ON THE YELLOWSTONE.—Since the summer of 1873, and at regular intervals, discoveries of gold in paying quantities have been reported from the tributaries of the Yellowstone River in MONTANA. The latest exciting news from the undeveloped auriferous deposits of the Territory is contained in a letter addressed to the Bismarck *Tribune* by a resident of Bozeman, MONTANA. According to this communication, the new Eldorado is the Tongue River Valley, about midway between Bozeman and Bismarck. In February, a large expedition was organized at Bozeman, composed of 100 men, armed with needle guns and three pieces of artillery, with plenty of grape and shell. Other expeditions are forming which will increase the number of miners and explorers near Tongue River to 200. The original discoverer says that he sank shafts in two gulches and on one bar, and from eleven buckets of dirt got $6.60 of coarse gold. The expedition mentioned carries provisions sufficient for each man six months. They go determined to make a permanent stand and hold the country, if possible. Many business men are preparing to transfer their business to the mines.—*St. Paul (Minn.) Press.*

IX. Separating Float Gold.—Much gold is lost in mining operations from the difficulty of separating what is known as "float" or "flour" gold from the water used in washing the ore, and E. J. Frazer suggests that the water be filtered through sponge or some equivalent material having its pores filled with mercury. To recover the gold taken up by this process, the filtering medium should then be destroyed, either by fire or by acid.—*Science Rec.*, 1873.

X. Working Silver Ores.—According to a statement by C. M. Nes, silver may be extracted from its ore in the following manner: Melt one hundred pounds of the crushed ore with ten pounds of Codorus ore (a magnetic silicide of iron ore). The impurities having great affinity for the latter, will immediately unite with it and pass off as slag, leaving the silver and iron behind. These metals may then be separated by the use of a magnet, which will attract and remove the iron, leaving the silver in the crucible.
—*Science Record for* 1873.

XI. Separation of the Precious Metals.—The old way of separating gold from sand or pulverized quartz is to cause the earth to flow down through an inclined trough, across which little pockets or gutters are made, in which quicksilver is placed. The latter catches and holds the particles of gold, while the earthy matter moves or is discharged from the machine. The latest improvement is to use, in lieu of the pockets, sheets of copper, the surface whereof is amalgamated with mercury, over which the gold earth, reduced to a thin mud, is allowed to flow. It is found that the gold adheres better to the surface of amalgamated copper than to pure mercury. This plan is now used in the Colorado mines. A late improvement, suggested by V. Colvin, is to use amalgamated plates of zinc or iron, which he regards as superior to the copper plates, if they are treated with proper acid solutions while the auriferous earth is being run over them.—*Science Record for* 1873.

XII. Gold from Iron Pyrites.—Professor J. M. Merrick has, by roasting iron pyrites with marble-dust, then amalgamating with mercury and sodium, succeeded in obtaining metallic gold. He has obtained large returns from specimens of iron pyrites, in which the presence of the precious metal has been denied by the ablest assayers.—*Science Record for* 1873.

XIII. Value of Foreign Coins.—The Treasury Department at Washington have issued a circular showing the values, in United States money of account, of the pure gold or silver representing the monetary units of foreign countries, and fixing the value of

the standard coins in circulation in the various nations of the world, in compliance with the act of March 3, 1873. The first section of this act provides "that the value of foreign coin, as expressed in the money of account of the UNITED STATES, shall be that of the pure metal of such coin of standard value," and that "the values of the standard coins in circulation, of the various nations of the world, shall be estimated annually by the Director of the Mint, and be proclaimed on the first day of January by the Secretary of the Treasury." The gold peso fuerte of the Argentine Republic is worth $1 in United States money of account; the silver florin of AUSTRIA 47.60 cents; the Belgium gold and silver franc 19.30 cents; the gold dollar of the British Possessions in NORTH AMERICA $1; the gold peso of CUBA 92.58; the gold sovereign of GREAT BRITAIN $4.86.55; the gold mark of the German Empire 23.82; the silver dollar of MEXICO $1.04.75; the French gold and silver franc 19.30; the gold and silver lira of ITALY 19.30; the Spanish peseta of 100 centimes in gold and silver 19.30, and the Indian silver rupee of 16 annas 45.84. The weight, fineness, and firmness of foreign coins, as determined by the United States Mint, are also given. At present, the gold value of silver, as estimated in the bullion market, is about 113 cents per ounce, 900 fine. [These tables were published in full in this MAGAZINE recently.—*Ed. B. M.*]

XIV. NEW MEDALS.—Mr. EDWARD COGAN, No. 408 State St., Brooklyn, N. Y., offers for sale three new medals:

1. The MEMORIAL MEDAL of the Boston Numismatic and New England Historic-Genealogical Societies, noticed on the last page of the *American Journal of Numismatics* for January, 1874. The obverse bears a fac simile of the seal of the Boston Numismatic Society, date of incorporation, etc.; legend, "Presidency of ULYSSES S. GRANT," "1873," the four stars on each side of the date indicating the military rank of the Chief Magistrate during whose administration the medal has been struck. On the reverse is an elaborate reproduction of the seal of the New England Historic-Genealogical Society, with a legend referring to both societies, "Twin delvers in the garden of history." The size is 20. The dies were executed by GEORGE H. LOVETT, of New York, for Mr. I. F. WOOD, the medal being the fourth of his "series." The issue in silver is strictly limited to twenty-five, price $2 each. In brass or copper, 60 cents each, or $1 the set of two. Early application is solicited from those desiring the medal, as the dies will shortly be canceled, Mr. WOOD's invariable rule where any issue is limited, in order to protect collectors from fraud, and the possibility of future muling.

2. The JOHNSON MEDALET, referred to in the February Number of the *Numismatic Journal.* Obverse—a bust of the late President; legend, "ANDREW JOHNSON, 17th President of the UNITED

STATES." Reverse—combined arms of the UNITED STATES and New York City; inscription, "Public Reception and Banquet by the municipal authorities of New York City, August 29, 1866." Size—about that of the half-dollar. Number struck—silver, 5; copper, 50; tin, 75. Price—in silver, $3; copper, $1; tin, 50c. The work is done by Mr. G. H. LOVETT.

3. A MEMORIAL MEDAL, designed by an alumnus of Haverford College, and executed by the well-known artist, GEO. H. LOVETT, of New York. The obverse presents an accurate south-front view of the main building, with the legend, "Haverford College, PENNSYLVANIA, 1869." Reverse—"Founded by the Society of Friends, 1833," above an open Bible, over which stream the rays from a suspended lamp, symbolical of Haverford's fundamental doctrine embodied in her motto: "*Non Doctior Sed Meliore Doctrina Imbutus*," which appears in a heraldic garter surrounding the whole. The medal is placed by its designer at prices barely sufficient to cover cost of manufacture and transmission, as it is his wish to make it a permanent memento within reach of all interested in the College. Price, in bronze, $1; white metal, 50 cents; silver, $5. Of the silver, only ten were struck, they being intended more especially for cabinet collectors, and the number, therefore, has been strictly limited.

INFLATION IN 1874.

IN BOSTON.

The anti-inflation mass meeting in Faneuil Hall, April 4th, drew together an audience of about 3,000 business men, who were enthusiastic and unanimous in protesting against any further expansion of the currency. WILLIAM GRAY, a prominent merchant and capitalist, presided, and there was a list of 133 vice-presidents, including such men as CHARLES FRANCIS ADAMS, BENJAMIN R. CURTIS, ROBERT C. WINTHROP, GEORGE TYLER BIGELOW, WILLIAM AMORY, E. R. MUDGE, and JOHN Q. ADAMS.

The President said they had met to take counsel together upon the observance of the public faith. He adverted to the first legal-tender act, and the subsequent action of MASSACHUSETTS and Congress down to March, 1869, when the UNITED STATES solemnly pledged its faith to make provision at the earliest practicable period, for the redemption of the United States notes in coin. More than five years have since elapsed, and Congress has lamentably failed to uphold the public faith. Now it is proposed to increase the legal-tender issues to $400,000,000. The legal-tender acts could be sustained only as war measures to preserve the Government, but by the proposed legislation Congress would assume the power to enlarge the amount of currency at any time and to any extent. A sound currency is the great demand of the labor of the country upon the Government, and it is the great office of the Government to place its stamp upon the coin of the

country, attesting its worth for commercial purposes, and it should never issue one dollar of paper money. So long as Government paper is dishonored and unpaid there can be no return to specie payments, and we appeal to the President to uphold the public faith. Vicksburg is not and will not be forgotten, and he who led our troops to victory can protect us from defeat, and we confidently rely upon him to exercise his constitutional veto to preserve us from the threatened calamity of an unlimited issue of irredeemable paper money. We appeal to the people of the country, who hold in their own hands, in a large measure, its future destiny. We appeal alike to the North and the South, to the East and the West, to keep inviolate the public faith. We will write upon our banners, never to be erased, "The public faith—it must and shall be preserved."

GEORGE B. BLAKE, Jr., of the banking house of BLAKE BROS., in presenting the resolutions said: We are here because, believing in honest dealing between man and man, we feel that we have a right to demand that Congress and the President shall fully redeem every pledge of the public faith. It is fit and needful that MASSACHUSETTS should at this hour, through her citizens, speak plainly and in good set terms on this vital subject. It is our humiliation that in the Senate of the UNITED STATES the voice of our Commonwealth in behalf of an honest currency is unheard. [Applause.] The voice that we know would have spoken, and in no doubtful words, for our honor and the country's, is silent in death. Let us then, now and here, put ourselves with good courage on the side of the right. Be assured our cause is just, and though ignorance and the devices of the dishonest and ambitious may for a time defeat it, success will come at last.

The following resolutions were adopted:

That the passage and approval of any act to increase the issue of irredeemable paper money would be a deliberate violation of a sacred pledge.

That the refusal of Congress to apply the surplus revenues of the past few years to the redemption of the United States notes in coin has converted one of the most dangerous weapons of war into an instrument of injustice and oppression in a time of profound peace.

That it has continued and aggravated the evils of uncertainty and wide fluctuations in values which an irredeemable currency always brings, and has led directly to those financial ills which it is now sought to remedy by fresh issues of the currency which caused them.

That those members of Congress who have voted for the pending currency measures have thereby assailed the credit and good name of the country, cast new dishonor upon its unredeemed promises, and inflicted a grievous wrong upon the people.

That as paper money, sustained only by an indefinite promise,

is the speculator's and not the people's currency, the evils of a new issue will fall chiefly upon the producing sections, while its delusive and temporary advantages will be seized by the great commercial cities and the centres of free capital, and we repel, in the name of Boston and New England, the insinuation that our hostility to the pending measures, by which we can profit at the expense of others, arises from self interest.

That, as inflation always raises the prices of articles of consumption more rapidly than it raises wages, any further issue of currency would specially injure every man and woman dependent upon a salary, and that the citizens of Boston confidently appeal to President GRANT to veto any and every bill which violates the pledge which he made it his first official act to approve.

NEW YORK VIEWS.

A remarkable audience gathered March 24, at Cooper Institute, to consider the National finances, a subject the discussion of which is popularly supposed to be especially dry and devoid of interest. The large hall was crowded as in times of political excitement, but with a class of men seldom seen in large political gatherings—earnest and thoughtful men, who listened with close attention to each address, and attested their hearty interest in the subject by prompt responses whenever a speaker made an unusually happy hit, or touched the chord of popular sympathy.

Speeches were made by WILLIAM CULLEN BRYANT, E. C. COWDIN, A. A. LOW, EDWARD ATKINSON, S. B. CHITTENDEN, and others.

The following resolutions were adopted:

Whereas, A promise to pay money, whether emanating from an individual or a Government, is not itself money; and

Whereas, An increase of so-called paper money by our Government at this time, with the understanding that it is not to be redeemed with coin when duly demanded, would produce alarm and consternation, imperil the entire credit system throughout the land, and cause all prudent men to make future contracts only in gold at the present standard of weight and fineness; would be injurious and humiliating to the Government itself, because it would lower its standard at home and its credit abroad; would be injurious and demoralizing to everybody who has occasion to buy or sell, to borrow or lend, because its inevitable fluctuations would destroy the accuracy of the fixed standard for measuring values; would be injurious to inconsiderate men, because by affording unnatural facilities for speculation it would tempt them to burden themselves with debt in order to embark in hazardous schemes; would be injurious to stable business men, because these fluctuations and speculations would tend to deter them from engaging in the legitimate branches of trade, commerce, and manufactures; and moreover,

would deprive them in a measure, of the use of their fair share of the money and capital of the country: and finally, would be injurious to the agricultural, industrial, and laboring classes, because, as all history, and especially our recent experience, has taught them, it would enhance the price of those commodities which they need for daily use, without conferring upon them compensating benefits; and

Whereas, In the judgment of this meeting the existing volume of the currency is sufficiently large for carrying on the legitimate business of the country, and a return to specie payments at the earliest practicable day is alike the dictate of good faith and of sound policy; therefore,

Resolved, That, in the opinion of the business men of the City of New York here assembled, it would be unjust, unwise, and highly prejudicial to the interests of the whole American people for Congress, in this era of profound peace, to swell the present volume of currency by providing for an additional issue of United States legal-tender notes, or any other kind of irredeemable paper money whatever.

Resolved, That if it be deemed expedient by Congress to establish a system of free banking, or to authorize a further issue of National bank notes, we insist that the honor and credit of the Government, as well as the safety and prosperity of our citizens, require that the system be based on solid foundations, and guarded from abuse by stringent restrictions; that the existing provision of law requiring a reserve of twenty-five per cent. be maintained, and that one of the fundamental and irrevocable provisions of the system shall be an efficient mode of redemption in coin.

Resolved, That the prompt action of Congress in avowing, as the settled policy of the Government, that no more currency of any kind not redeemable in coin shall be issued, will tend to allay present anxiety, restore confidence, and give new life and prosperity to commerce and the general business of the country.

PACIFIC MAIL S. S. CO.—The Pacific Mail Steamhip Company interests and those of the Panama Railroad Company are so closely allied, in many respects, that it is proposed by the respective stockholders to unite the companies virtually under one management, to work together for mutual benefit. The Pacific Mail Steamship, City of Guatemala, arrived at New York in April, with 400 tons of JAPAN and CHINA tea, the first of Isthmus shipments. Of this cargo, 3,300 packages were at first ordered by the owners, to be shipped via the Suez Canal, but on reflection the Panama route was chosen. It is proposed by the Pacific Mail Company, after May 1, to convey tea shipments from CHINA and JAPAN to New York, via the Isthmus, in sixty days.

CONGRESS AND THE CURRENCY.

The bill entitled "A bill to fix the amount of United States notes and the circulation of National banks, and for other purposes" came up in the Senate on the 6th of April and passed, by yeas 29 to nays 24, as follows:

YEAS.—Messrs. Allison, Bogy, Boreman, Cameron, Carpenter, Clayton, Dorsey, Ferry of Michigan, Goldthwaite, Harvey, Hitchcock, Ingalls, Johnston, Lewis, Logan, McCreery, Merrimon, Morton, Norwood, Oglesby, Patterson, Pease, Pratt, Ramsey, Robertson, Spencer, Tipton, West, Windom.—29.

NAYS.—Messrs. Anthony, Chandler, Conkling, Cooper, Cragin, Davis, Fenton, Frelinghuysen, Hager, Hamilton of Maryland, Hamilton of Texas, Hamlin, Howe, Jones, Kelly, Morrill of Vermont, Sargent, Saulsbury, Schurz, Scott, Sherman, Stewart, Thurman, Wadleigh.—24.

Before the question was taken, Mr. CONKLING of N. Y. said no money could be safe and sound unless it be stable—unless it be changeable into coin. Our currency for a number of years had been infirm for three reasons: First, it is not exchangeable for coin; second, it had ever been subject to the shifting will of Congress, and no currency could be steadfast which every year could be tinkered by Congressional majorities or Congressional combinations; third, it is infirm because it is arbitrary, being fixed by Congress. For this bill he could not vote, because it declared a departure from the principles of honesty and solvency. It proposed to put out and keep out the whole forty-four million reserve. It proposed to put out and keep out irredeemable bank paper. Temporary relief might come from it, but it would only smooth the way to disaster and distress hereafter. Such a policy spurned the experience of every epoch of history; trampled upon and violated the faith of the nation. Every department of the Government was pledged to redeem this paper, besides the declarations of the National conventions of that political party which chose most of the Senators upon this floor as well as the Chief Magistrate of the nation, who was also pledged against this policy.

Mr. FRELINGHUYSEN moved to adjourn. Lost by 27 yeas to 30 nays.

Mr. ANTHONY said that in a time of profound peace, with all the elements of prosperity and abundance, and with money plentiful, the Senate was about to add largely to the paper currency of the country; and, in doing so, refused to insert the slightest measure looking to redemption. He thought such action contrary to all experience and all laws of political economy, and would enter his protest against it by his vote.

Mr. THURMAN said that after four months' deliberation the dominant party in this Senate, in disregard of the recommendations of the Chief Magistrate, in disregard of the recommendation of the Secretary of the Treasury, and in utter contempt of the experienced Finance Committee, had adopted a measure proposed by one of the minority. The great Republican party had adopted the measure of a Democrat. He (Mr. THURMAN) could take no credit in this triumph which his democratic friend from NORTH CAROLINA (Mr. MERRIMON) had achieved. After all their discussion it was reserved for the pine woods of NORTH CAROLINA to shape the financial destinies of this country. He believed it would disband the Republican party, though he could not say the one to which he belonged was very solid on this question. [Laughter.] The action of the Senate to-day simply meant that no man of his age would ever again see in this country the money referred to by our forefathers and the framers of our Constitution.

Mr. SARGENT said the passage of the bill trampled down every hope of the people, but he relied upon another department of the Government to set right the wrong which had been done here. This administration had been elected on a pledge contrary to this bill. He (Mr. SARGENT) believed there were men enough in the East, and in the West, to see any party perish, or the leader of any party perish, who attempted to flood the country with irredeemable paper currency.

Mr. SCHURZ said he felt humiliated as an American citizen at the action of to-day. Gentlemen who favored the bill might think themselves benefited, but the day was not far distant when they would curse the hour they gave such a vote. The day was not far off when the people would recover their senses and save themselves from these statesmen who would lead the country to ruin.

The bill provides for an issue of $400,000,000 of legal-tender notes, which is $18,000,000 more than is now in circulation, and an increase of $46,000,000 of National bank notes. The entire increase of paper circulation over the amount of circulation prior to the panic is $90,000,000. The whole amount authorized is $800,000,000, exclusive of $50,000,000 of fractional currency. The bill amounts practically to a free banking law without restrictions as to redemption on a basis of $400,000,000 of legal tenders; for it is not supposed that, within a twelvemonth at least, the limit of the $46,000,000 increase will restrain in any manner the issue of bank currency to those who will deposit the amount of bonds required for security. The majority by which the bill was finally passed was five, and the same majority have worked steadily together from the beginning until the final vote in defeating all propositions looking to compulsory redemption, or any proposition of any kind looking to an ultimate resumption of specie payments.

A Protest against the Issue of the Reserve.

The following petition was presented to Congress February 28:

To the Honorable the Senate and House of Representatives in Congress assembled:

Your petitioners beg leave respectfully to represent that they are greatly alarmed at the assumption by the Secretary of the Treasury of the right to issue new United States notes, commonly known as greenbacks, without the sanction of law:

The issue of irredeemable paper money, and making it a legal tender, is simply levying a forced loan upon the people of the United States. Such an extreme measure can only be excused by the vital necessity arising from a great war, and is even then in direct violation of all ordinary constitutional powers. So far as your petitioners are aware, no civilized government has ever resorted to the issue of irredeemable paper money in a time of peace; and it is a most remarkable event that the great, rich, and prosperous nation of the United States should resort to such a ruinous expedient, without the slightest necessity to excuse it.

Your petitioners, consequently, respectfully but most earnestly urge your honorable body to put an immediate stop to the further issue of greenbacks by the Secretary of the Treasury, and to make arrangements, by the negotiation of bonds or otherwise, to call in and cancel at once every dollar of the so-called reserve which has been issued.

[Signed by nearly all the banks of the City of N. Y.]

New York, February 28, 1874.

Petition to President Grant.

A copy of the petition put in circulation recently, asking the President's veto to measures of inflation, has already been published. Although valuable signatures had been obtained to the petition named, it was decided, upon consultation of those who have the matter in charge, to recall the petitions issued, and circulate instead thereof the following, which contains the substance of the former somewhat modified in expression:

New York, April, 1874.

To Ulysses S. Grant, *President of the United States:*

Sir: The undersigned, citizens of New York, viewing with alarm the recent action of the Congress of the United States, and the imminent danger that, in a time of profound peace, laws will be enacted, which, a few years since, were held to be constitutional only as "war measures," and in the enactment of such laws as

are now pending in both Houses, all the limitations, promises, and pledges of the last ten years will be rendered nugatory:

Respectfully solicit the intervention of your veto, should there be need thereof:

In order that the honor of the country may not suffer in the estimation of our own people, and in the estimation of all the civilized nations of the world; and the undersigned appeal from their own judgment to the language of the most eminent of our statesmen in the Senate and House of Representatives in 1862, in justification of their plea, that a further issue of greenbacks, under existing circumstances, without the warrant of necessity, will inflict a stain on the honor of the Republic, and impair confidence in every future pledge and promise given in its name.

On the 14th April the House of Representatives, at Washington, by a vote of 129 to 116, passed the amendment to the National Bank Act, viz.:

The following is the text of the bill as passed:

That section 31 of the act entitled, "An act to provide a National currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved on the 3d day of June, in the year 1864;" be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations, but the money required by said section to be kept at all times on hand shall be determined by the amount of deposits, in all respects as provided for in the said section.

SEC. 2. That section 22 of the said act, and the several amendments thereto, so far as they restrict the amount of notes for circulation under said act, be, and the same are hereby repealed, and that section 1 of the act entitled, "An act to provide for the redemption of the three-per-centum temporary loan certificates, and for an increase of National bank notes," approved July 12, 1870, be amended by repealing the second proviso in said section contained; and the act entitled "An act to amend an act entitled an act to provide a National currency secured by United States bonds, and to provide for the circulation and redemption thereof," approved on the 3d of March, 1865, be and the same is hereby repealed; and section 21 of the original act, to which the act last aforesaid is an amendment, be and the same is hereby re-enacted.

SEC. 3. That every association organized, or to be organized, under the provisions of the said act, or the several acts in amendment thereof, shall at all times keep and have on deposit in the Treasury of the UNITED STATES, in lawful money of the UNITED STATES, a sum equal to five per centum of its circulation, to be held and used only for the redemption of such circulation; and

when the circulating notes of any such association or associations shall be presented, assorted or unassorted, for redemption, in sums of $1,000, or any multiple thereof, to the Treasurer, or any Assistant Treasurer of the UNITED STATES, the same shall be redeemed in United States notes. All notes so redeemed shall be charged by the Comptroller of the Currency to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemption; whereupon each association so notified shall forthwith deposit with the Treasurer of the UNITED STATES a sum in United States notes equal to the amount of its circulating notes so redeemed. And when such redemption shall have been so reimbursed, the circulating notes so redeemed—or, if worn, mutilated or defaced, new notes instead—shall be forwarded to the respective associations; provided, that each of said associations shall reimburse to the Treasury the cost of redemption and of supplying new notes in place of those redeemed; and the associations hereafter organized shall also severally reimburse to the Treasury the cost of engraving and printing their circulated notes, and provided, further, that the entire amount of United States notes outstanding and in circulation at any one time shall not exceed the sum of $400,000,000 now authorized by existing law.

SEC. 4. That any association organized under this act, or any of the acts of which this is an amendment, desiring to withdraw its circulating notes in whole or in part, may, upon the deposit of lawful money within the meaning of said acts, in sums of not less than $10,000, with the Treasurer of the UNITED STATES, withdraw a proportionate amount of bonds deposited in pledge for such circulation, and he shall redeem, cancel, and destroy an amount of the circulating notes of such association equal to the amount issued upon such bonds.

SEC. 5. That sections 31 and 32 of the said act be amended by requiring that each of the said associations shall keep its lawful money reserves within its own vaults, at the place where its operations of discount and deposits are carried on, and all the provisions of the said sections requiring or permitting any of the said associations to keep any portion of its lawful money reserves elsewhere than in its own vaults, or requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this act, are hereby repealed.

SEC. 6. That upon all circulating notes hereafter issued, or hereafter to be issued, whenever the same shall come into the Treasury, in payment or deposit, for redemption or otherwise, there shall be printed, under such rules and regulations as the Secretary of the Treasury may prescribe, the charter numbers of the associations by which they are severally issued.

Effect of the Bill.

An idea was put forth which had a depressing effect upon the inflationists, though some of them professed to laugh at it. It was stated that the Senate bill would effect an immediate and extensive contraction, by compelling country banks to take away from New York, and other money centres, in all some $40,000,000, and lock it up in their own vaults. More were frightened by this bugbear than were willing to confess it, but reflection and discussion convinced people generally that the operation of the bill in this respect, would injure nobody but those who are engaged in forcing up the price of gold and stocks, in anticipation of the passage of the bill. There are many of this class in Washington, and a close scrutiny would probably reveal some such within the Houses of Congress. Senator Scott, the author of the provision of the bill relative to deposits of reserves, states that if the inflationists are now opposed to it, they are opposed to the remedy which is designed to correct the very evils of which they have so long complained. The West and South have complained, during the four months of the finance debate in the Senate, that the banking circulation, which should be retained in their local banks, under the provisions of the National banking act, has been concentrated in Wall Street, through the inducement of interest which could be obtained, and that their capital has thus been diverted from commercial employment to speculative uses. The provisions of the Senate bill provide that three-fourths of the bank reserves shall be kept at home, and not be sent to Wall Street. The measure is not a contraction measure so far as commercial business goes. On the contrary, it strengthens the local banks, and puts them in a position to meet the demands of their depositors in any time of panic. Had such a provision been in force during the September panic, the country banks would have been able to meet the demands of their depositors, and the panic would consequently have been much less general. It is true that the surplus capital of the country banks in dull seasons, under the inducement of interest, found its way to Wall Street, and thus was, to some extent, in circulation; but it was loaned only upon call and for speculative purposes, and was not much used in commercial exchanges. The bill may work a speculative contraction, but it is not the purpose of the bill, or Congress, to legislate in the interest of Wall Street. Such are the views of the author of the provision. It is the opinion of many others, whose views are accorded great weight on these subjects, that the operation of the bill, in this particular, will not create any stringency in money used for commercial transactions, and that the effect upon business will be wholesome.

Should this measure be finally consummated, the effect, we think, will be to withdraw many millions from New York, Philadelphia, Boston, &c., now on deposit for account of country National banks, and to place these sums under the immediate control

and use of the latter at home. At present these sums are the basis of exchange between these cities and the interior. Practically it will lessen the currency of the country.

Immediately after the passage of the preceding bill, on the 14th, by the House of Representatives, the Senate bill was taken up and passed by a vote of 140 to 102.

The text of the bill is as follows:

That the maximum amount of United States notes is hereby fixed at $ 400,000,000.

SEC. 2. That $ 46,000,000 in notes for circulation, in addition to such circulation now allowed by law, shall be issued to National banking associations now organized, and which may be organized hereafter, and such increased circulation shall be distributed among the several States as provided in Section 1 of the act entitled, "An act to provide for the redemption of the three-per-centum temporary loan certificates, and for an increase of National bank notes," approved July 12, 1870. And each National banking association now organized, or hereafter to be organized, shall keep and maintain, as a part of its reserve required by law, one-fourth part of the coin received by it as interest on bonds of the UNITED STATES deposited as security for circulating notes on Government deposits, and that hereafter only one-fourth of the reserve now prescribed by law for National banking associations, shall consist of balances due to an association, available for the redemption of its circulating notes, from associations in the cities of redemption, and upon which balances no interest shall be paid.

In the discussion of this measure Mr. HOAR, of MASSACHUSETTS, raised four objections, which he thought would take the bill to the committee. In the first place, he made the point that the bill increases the funded debt; next, that it required an appropriation of money to carry it into effect; in the third, that an amendment making an appropriation of money to carry the bill into effect was germane; and in the fourth, that the bill laid a tax upon the people. These points Mr. HOAR explained in a terse and brief speech, which was supplemented by Gen. GARFIELD, who called attention to the importance of one or two of the points. These objections were over-ruled.

The final decision of this measure has been made since the foregoing was written, by the President's veto of the bill. We complete, in NOTES ON THE MONEY MARKET (page 916), the record up to this date of the most important incident in the financial history of our country since the late war.

SOUND VIEWS OF THE CURRENCY.

The following letter, from the late Mr. ROBERT B. MINTURN, of New York, although written in the year 1862, was not made public until the year 1874. It is exceedingly interesting at this date, as showing the foresight and sagacity of the writer of the letter. He clearly foresaw and pointed out that a paper currency, not redeemable in gold or silver, is an injury to the country where made; and events have proved the truth and soundness of his views. Not one of the members of Congress, who voted for the issues of legal tenders in 1862, would have assented to their existence beyond the war. They were a mere WAR MEASURE and so proclaimed at the time. Our statesmen should ponder the words of Secretary DALLAS in 1813:

"But whether the issues of a paper currency proceed from the National treasury, or from a National bank, the acceptance of the paper in a course of payments and receipts must be forever optional with the citizens. The extremity of that day cannot be anticipated, when any honest and enlightened statesman will again venture upon the desperate expedient of a tender law."

"The want of stability, morality, and intelligence in the Government which may undertake to substitute a paper for a metallic currency, are the objections which have already been considered."

(Ed. B. M.)

LETTER FROM ROBERT B. MINTURN, OF NEW YORK.

New York, January 11, 1862.

Dear Sir: When I was in Washington you did me the honor to write me to communicate to you any ideas that I might judge deserving of attention regarding our National finances; and, as the public mind is much agitated by the uncertainty regarding the mode in which government may defray the large expenditure necessitated by the prosecution of the war, I take the liberty of stating to you some considerations in favor of raising funds by long debentures, based upon a heavy taxation (which I believe to be the only sound system), and against an issue of an irredeemable paper currency, which appears to be the only practicable alternative.

First—At a time when the wealth of the country is necessarily consumed at so great a rate, a sound system of finance should favor economy in public and private expenses, and, at the same time, stimulate industry to supply the unavoidable waste. If, then, the government raises money on long bonds, pledging the National

honor to pay interest and principal in *gold*, and selling the bonds at the best price it could obtain in the open market, the following results would, I believe, be realized:

1. The difficulty of obtaining money, the high interest to be paid, and the heavy taxes necessary to give the loans a market, would urge the greatest economy and efficiency in the government.

2. The low rates at which the loan would probably sell would attract foreign capital, of which we have great need.

3. The loss represented by the rate of discount at which the loans might be negotiated, would fall, as it should do, on the whole nation, and be distributed through a term of years.

4. The inevitable high rate of taxation (which would be needed to induce capitalists to feel confidence in investing in the loans) would force the people to a realization of the extent to which they are becoming poorer. It would consequently stimulate them to economy in all articles of import, and to the utmost industry in increasing the wealth of the country by production; thus counterbalancing, to as great an extent as possible, the impoverishment of the nation by the war.

Second—But if, on the other hand, the expenses of the war are met by an issue of inconvertible currency, the results will, I believe, be directly the reverse.

1. The mere printing of paper, and circulating it by giving the prerogative of a legal tender, is so much easier than borrowing money at high rates of interest and repaying loans by heavy taxes, that if the former course is once begun it is in danger of being carried on indefinitely; and the natural check to extravagance in the administration of the government, which would be found in the difficulty of borrowing, is quite lost.

2. The greater the quantity of an inconvertible currency that is issued, the lower will its value fall by an infallible natural law. Not only, therefore, will foreign capital not come to the aid of the government in the shape of loans, but both foreign and domestic capital will be transferred abroad by its owners to escape the loss entailed by a constantly depreciating standard of value. This movement set in some time since, say two months or more ago, in anticipation of the country adopting an inconvertible currency, as has been clearly indicated by a steadily advancing rate of exchange on EUROPE, in face of a balance of trade in favor of this country.

3. If the government currency were finally redeemed in gold, the loss arising from repaying in specie that which had been originally issued at a depreciated value in exchange for supplies would, it is true, fall on the whole nation, but in a much heavier form than the loss considered under the head (third) above. But before redemption, and while depreciation was going on, all creditors of the country would be losers in exact proportion to the de

cline of the currency. The debtor being able to discharge his obligation in a currency less valuable than it was at the time he borrowed, becomes to that extent, by the action of law, the owner of property which properly belongs to his creditors. It is easy to see the way in which such enactments operate, to force wealth away from a country where there is even danger of such a condition of the currency; and the effect occurs just at a period when our National policy should be such as to attract wealth hither by every assurance of legal protection and security.

4. With an irredeemable currency the government would be tempted to tax but lightly, since an onerous taxation would not be necessary to enable them to raise money, but only to furnish them means for redeeming the currency—a difficult operation, which would eventually be postponed as long as possible. The people would then not be aware of the rate at which the resources of the country, and the wealth of each one, was being consumed, and they would therefore be without the natural stimulus to economy and industry imposed by heavy taxation; and would not deny themselves a free indulgence in articles of import, which would be paid for in the gold which would have been supplanted here as a medium of exchange by the legal substitution of a less valuable currency.

Thus, instead of the wealth of the nation being economized, by the people being stimulated to a moderate use of imports, and to paying for them as far as possible by increased production, they would be seduced by a fictitious financial ease into the opposite course of consuming freely articles imported from abroad and paying for them by the gold representing their accumulated wealth.

Having thus set down in numbered heads—which I beg that you will compare one with the other, in the order in which they are placed—a few arguments which have suggested themselves to me in favor of a negotiation of loans at a long date, and against an inconvertible paper currency, it will not be out of place to conclude by saying that I can urge these considerations without feeling that my views are at all swayed by my interests, as I have long foreseen the probability of a general suspension of specie payments, and have placed most of my property beyond the reach of a depreciated paper currency.

I am not insensible of the effect upon the banks in this city, Philadelphia and Boston, of the course which I am advocating; but as their connection with the Treasury Department might fairly be considered as an agency, undertaken chiefly to facilitate the negotiations of the government, I think that they might justly be allowed to convert their seven-thirty Treasury notes into long bonds at the average rates realized for the issues now contemplated.

Believe me, dear sir, with great respect, yours,

ROBERT B. MINTURN.

To Hon. S. P. CHASE, Washington.

DIVIDENDS OF THE BOSTON BANKS.

1. Capital of each bank. 2. Dividends and market values of shares in October, 1873, and April, 1874. 3. Surplus fund of each in June, 1873.

		Dividends.		Shares.		
Name of Bank.	*Capital.*	Oct. 1873.	Apl. 1874.	Oct. 1873.	Apl. 1874.	Surplus Profits, June, 1873.
Merchants' National	$3,000,000	5	5	138	145	$1,116,793
Nat. B. of Commerce	2,000,000	5	5	129	129	620,000
Tremont National	2,000,000	4	4	129	130	177,128
State National	2,000,000	3	4	110	113	94,807
National Revere	2,000,000	4	5	122½	127	400,000
Second National	1,600,000	6	6	150	156	600,000
Nat. Bank of Republic	1,500,000	4	4	129	133	300,000
Nat. Hide & Leather	1,500,000	4	4	115	116	108,000
Suffolk National	1,500,000	5	4	130	135	200,000
Atlas National	1,500,000	3	4	119	122	250,000
National Webster	1,500,000	3	4	105½	113	115,500
Blackstone National	1,500,000	5	5	149	150	400,000
First National	1,000,000	6	6	200	200	1,000,000
Nat. B. of Redemption	1,000,000	5	5	147	149	200,000
North National	1,000,000	4	5	124	125	200,000
National Exchange	1,000,000	6	6	178	179	731,156
Eliot National	1,000,000	4	4	125	122	200,000
New England Nat'l	1,000,000	5	5	142	143	400,000
National City	1,000,000	3½	4	114	118	85,911
Shoe & Leather Nat'l	1,000,000	4½	5	143	143	230,701
Nat. B. of N. America	1,000,000	3	4	112	113	88,922
Faneuil Hall National	1,000,000	5	5	145	146	250,000
Globe National	1,000,000	5	5	128½	141	250,000
National Union	1,000,000	6	6	153	156	500,000
National Eagle	1,000,000	4	4	119	121	200,000
Columbian National	1,000,000	5	5	131	136	350,000
Boston National	1,000,000	4	4	126	125	160,000
Shawmut National	1,000,000	4	4½	126	127	200,000
Continental National	1,000,000	3	4	110	115	185,000
Howard National	1,000,000	4	4	114	114	100,000
Old Boston National	900,000	5	6	77	80	180,000
Market National	800,000	4	4	112	113	75,823
Massachusetts Nat'l	800,000	4	4	130	130	200,000
Freeman's National	800,000	4	5	133	133	201,000
Washington National	750,000	5	6	145	145	263,001
Atlantic National	750,000	6	5	137	142	232,000
Hamilton National	750,000	4	5	126	126	150,000
Traders' National	600,000	3½	3½	114	118	105,981
Boylston National	600,000	5	6	150	165	125,000
N. B. Commonwealth	500,000	3	4	124	122	70,000
Central National	500,000	*New*	4	104	106	*New*
Manufacturers' Nat'l	500,000	*New*	3	103⅝	105	*New*
Maverick National	400,000	4½	4½	126	126	80,000
Third National	300,000	4	4	144	140	145,510
People's National	300,000	7	7	155	155	160,000
National Rockland	300,000	7	7	162	162	160,000
Blue Hill National	300,000	4	5	119	120	23,700
Eleventh Ward Nat'l	300,000	–	4	103	105	5,245
Mechanics' National	250,000	5	5	130	130	56,500
Broadway National	200,000	4	5	125	125	18,331
Everett National	200,000	5	5	137	136	60,000
Mount Vernon Nat'l	200,000	4	4	129	131	40,000
National Security	200,000	4	4	135	170	65,000
Totals	$50,800,000					$12,131,009

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 807, April No.)

STOCKS.	JAN., 1874. Lowest.	JAN., 1874. Highest.	FEB., 1874. Lowest.	FEB., 1874. Highest.	MAR., 1874. Lowest.	MAR., 1874. Highest.
U.S. Six per cts. of 1881, Coupon Bds.	117	118⅜	118⅜	121	119⅜	121
" Five-Twenty of 1862, "	113	114⅞	115⅝	118¼	116½	118¼
" " 1864, "	114	116¾	116⅝	120½	118	120
" " 1865, "	115	118	118	121¼	119½	120¼
" " 1865, New, "	114½	116¾	116¾	119⅝	118	119½
" " 1867, ...	115	118	117⅝	120½	118¾	120½
" " 1868, ...	116	118	117⅝	120⅜	118½	120⅛
" Ten-Forty Coupon Bonds.....	113	114½	114	116⅜	112¾	115⅜
" Five per cent. of 1881, Coupon	111	113¾	111¾	114¾	114¼	115⅝
" Six per cent. Currency.........	114	115¼	115¼	116⅞	115⅞	117.
Canton Company of Maryland.......	73½	79	72½	82¼	77	77
Delaware and Hudson Canal Co....	113	121	115	119½	116½	118¼
Consolidated Coal Co. of Maryland..	44	51	45½	49⅞	47	48
Quicksilver Mining Co	28	30½	30	35½	29½	32¼
" " Preferred	33	35	35¾	40½	35	38½
Mariposa Land & Mining Company	8	11¾	8¼	10	6½	8¼
Union Mining Co. of Tennessee....	3	3⅜	3⅜	4	3⅜	3⅜
Western Union Telegraph Co	73	80	72¾	77⅞	71½	82⅜
Pacific Mail Steamship Company....	38½	44⅝	41⅛	44	41⅜	49½
Adams Express Co.................	92½	96	94	99	95½	100
Wells, Fargo & Co. Express Co. ...	69	71¾	74	78¼	76	78½
American Express Co	58½	62¼	63½	65¼	62	65
United States Express Co..........	68	72	70	73	70	72¼
N. Y. Cent. and Hudson River R. R.	99¼	104½	103	105⅛	99⅞	105⅝
Erie Railroad	46¾	51¼	46¾	50⅛	37¾	47
" Preferred...........	72	75	72½	74½	64⅛	70
Harlem Railroad	118	130	124	134	129	133
" Preferred.........	118	119½	..	..	128	129
N. Y., New Haven & Hartford R. R.	122	130	129	131	130½	133½
Michigan Central Railroad Co.	78	79	89	95¼	85½	89½
Lake Shore & Mich. Southern R. R.	77½	84⅝	80⅜	83½	76½	82
Panama Railroad Company	110	118	115	117½	111	117
Union Pacific Railroad Co...........	30½	35⅝	34	35⅞	31¾	38¾
Illinois Central Railroad Co.........	100	103	102¼	108½	103½	106
Cleveland & Pittsburgh R. R. Co....	85½	89½	87	90	87	89½
" Col., Cinn. & Ind. R. R..	76	80	78	89¼	75	81
Chicago, Rock Island & Pacific R. R.	100⅞	106	104½	109¾	103⅜	108
Pitsb'gh, Ft. Wayne & Chic. R. R..	90	93	92	94¼	93¾	95½
" " " Special.	85½	5½	..	..	..	..

Stocks.	Jan., 1874.		Feb., 1874.		Mar., 1874.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
Chicago, Burlington & Quincy R. R..	97	106	105	112	103⅛	104½
" & Alton Railroad Co.......	103	110	106½	115	103	106
" " Pref.	110	112	109½	115	107	107¼
" & Northwestern R. R. Co...	57½	62¼	56¼	61¾	50⅛	58
" " " Pref.	69½	75½	72	78½	69¼	74⅞
" Milwaukee & St. Paul R. R.	41⅞	49¾	43½	48½	39¼	46
" " " Pref.	66¼	73	69½	74⅞	63¾	70¼
Toledo, Wabash & Western R. R. Co.	49½	55¼	49¼	54⅛	43¾	49¼
" " " Pref.	..	..	..	..	71	71
St. Louis & Iron Mountain R. R. Co..	49½	70	61	71½	53	61¼
Pacific R. R. Co. of Missouri.......	30¼	40	39¾	45	37½	42⅞
St. Louis, Kansas City & N. R. R. Pref.	28	32½	30	34⅝	24¾	28½
Atlantic & Pacific, Preferred........	12½	19⅛	17	22	15⅝	18⅝
Del., Lackawanna & West. R. R. Co.	99	105½	106⅛	112½	107	111¾
Alton & Terre Haute R. R...........	12	20	14	16	12	12½
" " " Preferred	31	39	33	35	..	..
Morris & Essex Railroad Co........	89¼	92¼	92	93	92	94
New Jersey Central Railroad Co....	98	102½	103	109¾	104	107¼
Rome, Watertown & Ogdensb'g R. R.	72	72	73	75	73	75
Rensselaer & Saratoga R. R. Co....	104	104½	104½	106	108	109
Ohio & Mississippi R. R. Co.........	30½	36	31¼	34¾	29¼	32
Dubuque & Sioux City Railroad Co.	55	56	65	65	..	..
Central Pacific R. R. Co	71	71¾	72	73	71¾	72
Hannibal & St. Joseph R. R.......	27½	34¼	30½	33¼	29	32⅞
" " " Pref.	37⅝	43½	39½	42	37⅞	41
Boston, Hartford & Erie R. R........	2¾	3½	1⅝	3⅜	1¾	2
Col., Chic. & Ind. Cen. R.R.........	27¼	32½	30¼	32⅜	28½	32⅝

NEW BANKING LAW OF NEW YORK.

CHAP. 126.—An act to amend an act entitled "An act to authorize the business of banking," passed April eighteenth, eighteen hundred and thirty-eight. PASSED April 6, 1874.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SEC. 1. The fifteenth section of the act entitled "An act to authorize the business of banking," passed April eighteenth, eighteen hundred and thirty-eight, is hereby amended so as to read as follows.

SEC. 15. Any number of persons may associate to establish offices of discount, deposit and circulation, upon the terms and conditions, and subject to the liabilities prescribed in this act, and the acts amendatory thereof; but the aggregate amount of the capital stock of any such association or bank shall not be less than one hundred thousand dollars; provided, however, that banks with a capital of not less than fifty thousand dollars may, with the consent and approval of the Superintendent of the Banking Department, be organized in any village or place, the population of which does not exceed six thousand inhabitants.

SEC. 2. This act shall take effect immediately.

BANKING AND FINANCIAL ITEMS.

New Law of New York.—Our readers will find, in a former part of this No., a new law of this State, in reference to the banks organized under the general law and to future organizations.

Usury Laws of New York.—A recent decision of the Supreme Court of New York, Onondaga Circuit, removes the hardships and ill effects of the usury laws of this State, by adjudging them subject only to the penalties to which National banks are liable. We shall publish the case in full in our work for June or July next.

National Bank Act.—A new edition of the National Bank Act, comprising the amendments adopted from 1864 to date, will be issued early in June, in one volume, octavo, price two dollars. This edition will comprise also the decisions of the U. S. Supreme Court, and of the State courts, of the last ten years. Orders for copies should be sent at once.

Savings Banks.—Mr. Emerson W. Keyes, formerly of the Bank Department at Albany, has commenced the publication of a monthly paper at No. 42 Broad Street, New York, devoted to the interests of savings banks. The price of subscription is one dollar per year.

A history of savings banks, from the inception of the system in America down to the present time, is in preparation by Emerson W. Keyes, late Deputy Superintendent of the Bank Department of the State of New York. When completed, this will be the only history of savings banks published in this country. Material for such a work is so limited and so difficult of access, that, but for the unusual opportunities afforded by official position, the subject would doubtless ever have remained in obscurity. Besides the historical detail of the origin and progress of the system in this country, many topics of great interest concerning the legal powers and rights of these institutions, as, concerning the accumulation of surplus, and the control of what are known as "unclaimed deposits," are discussed with a clearness, intelligence and force that could only be derived from an intimate acquaintance with the subject, such as many years of practical experience in the supervision of these institutions in this State could alone impart. Upon these topics Mr. Keyes is now justly regarded as the highest authority in this country, and his opinions, as recorded in the history, may be said to have the force and sanction of law.

Liabilities of the Savings Banks of the State of New York.

Amount due depositors, January, 1874	$285,520,085
Other liabilities, "	620,849
Excess of assets, "	21,448,796
Total liabilities	$307,589,730

Comparative Table of Savings Banks.

NEW YORK STATE.	*Jan. 1, 1874.*	*Jan. 1, 1873.*	*Increase.*
Bonds and Mortgages	$110,753,559	$104,637,854	$6,113,705
Stock investments	152,369,742	153,552,756	——
Total assets	307,589,730	305,330,331	2,259,399
Surplus	20,462,873	19,776,864	686,009
Number of open accounts	839,472	822,642	16,830

Currency.—The currency question in the United States continues to occupy the attention of the nation, and financiers may derive instruction from studying the subject as it exists in America. The issue of contraction or inflation

involves a vast deal more than the settlement of the volume of the currency. It is a test of the morality, of the self-denial, of the knowledge, in a word, of the general capacity of the people who have to decide; and we may add it is one which no nation, with the exception perhaps of GREAT BRITAIN, has yet stood.—*Economist.*

INFLATION.—At the monthly meeting of the Union League Club of New York, in April, the following resolutions, presented by a committee consisting of Messrs. JOHN A. WEEKS, J. C. JACKSON, N. P. BAILEY, WILLIAM H. FOGG, and JOHN H. HALL, were adopted:

Resolved, That the Union League Club of the City of New York disapproves of any action of Congress which will tend to inflate the currency of the UNITED STATES, as unjustifiable by exigencies of commerce, as a violation of all the rules of finance, and as contrary to the express pledges to the people of this nation.

Resolved, That we cordially approve the action of the Governor of this State, in promptly and clearly presenting to the Legislature and to the people the great perils involved in the proposed inflation of the currency, and we cordially indorse and sustain the sentiments expressed in his message.

Resolved, That copies of these resolutions be forwarded without delay to the members of both Houses of Congress.

Railway Bonds.—The non-payment of debts due the Government from the Kansas Pacific, Central Pacific and Union Pacific Railway Companies is again attracting attention. The three companies named owe on principal outstanding $59,424,632. They have paid on interest on the same by transportation $4,757,893, leaving of interest unpaid $15,909,794. In addition to this the accrued interest on the first of February, was $323,117. None of these railroads have yet paid the Government a dollar in money on any account, although their interest is payable semi-annually. The total bonded debt of the Central is $80,441,800, and of the Union Pacific $76,166,024, or a total of both roads of $156,607,824. The earnings of the two companies for the last five years are $89,859,874. The net earnings of the two companies in 1873 are $13,465,747, an amount equal to six per cent on $224,000,000. Hon. JAMES F. WILSON, Government Director, thinks that in two or three years, with careful and honest management, the net earnings of the Union Pacific Railroad should be $12,000,000, which would pay all the interest (leaving the land grants to take care of the land grant bonds) and pay a handsome sum to divide on the stock.

New Bonds.—The City of New York received proposals for $1,292,500 of consolidated city *seven-per-cent.* loan. The offerings were to the amount of $4,583,800, enough of them at and above 103 to cover the amount invited. The *six-per-cent.* loan of Philadelphia, with three months' interest on, is selling at about 103½, being equal to about 102 flat. A bad feature in this evidence of New York city's low credit is seen in the fact that this new loan, now to be converted into part of the permanent debt of that city, is required to make up for deficiencies in the assessment fund, created by successful suits for the vacation of assessments.—*Philadelphia Ledger.*

FIREPROOF GRAIN WAREHOUSES.—Messrs. C. BARSTOW & POPE, New York, give notice that the American Fireproof Granary Company can construct, or can authorize the construction of elevators upon a method which secures the greatest amount of storage upon the least area of ground, and upon a completeness of plan which will return to the shareholders a larger per centage of gains for the grain stored than any other building now in operation in the country, built for the same purpose. The materials of construction are brick and iron, hence the buildings are indestructible by fire, and of a durability practically without limit.

N. Y. AND ERIE RAILROAD.—A meeting of the Executive Committee of the Erie Railroad Directory was held April 15th. Mr. WATSON, the President, reported the execution of a contract with the LONDON BANKING ASSOCIATION for the issue of $15,000,000 of the bonds of the company, which was approved

by the Board. He also reported that about $25,000,000 were subscribed for the bonds, an excess of $10,000,000. Subscription price is to be paid before July 1. The Board approved the action of the President in asking that Messrs. MORGAN, RAPHAEL, and others in London, should unite in appointing a public auditor to come here from London, to examine all the accounts of the company, to this date. It is understood that this action has already been taken, and that Messrs. TURQUAND, YOUNG & Co., and Messrs. QUILTER, BALL & Co. have been selected for this purpose.

New York.—The SECURITY BANK of this city, which was organized in May, 1870, is to be placed in liquidation. Its Cashier, HENRY D. LOWES, absconded last November, leaving a deficiency of about $50,000 in his accounts. Other losses were incurred, and, in April, the directors voted that the bank be discontinued as unprofitable; that its debts be paid and its net capital be distributed among its stockholders—if this action is approved by the owners of a majority of the stock. The capital stock of the bank is $500,000, of which EDWARD CLARK, the President, owns $200,000. GEORGE P. ROWELL, INSLEE T. HOPPER and Mr. CLARK were appointed a committee to wind up the affairs of the company. Depositors will be paid in full and at once, and the stockholders, it is believed, will receive from thirty to sixty per cent.

New Railroads.—The Albany and Susquehanna Railroad is leased by the Delaware and Hudson Canal Company to take their anthracite coal into NEW ENGLAND. A charter is held and grading partially completed, to extend the line from Binghamton westward, down the south bank of the Susquehanna, to Oswego. At the State line it meets the Bradford County Railroad Company's chartered line down the river, southward, to Towanda, and thence up Towanda creek, westward, to Canton, on the Williamsport and Elmira Railroad. It is proposed to extend the road even further westward, over and along the top of the Allegheny plateau to Driftwood on the Philadelphia and Erie Railroad, and so get a short cut, via the new Low Grade Railroad, up Bennett's Branch, with Pittsburg. If this can be accomplished, the splendid coal fields of Jefferson, Clearfield and Indiana counties will have a pretty straight through connection with NEW ENGLAND.

POSTAL TREATIES.—The basis of a postal treaty between the UNITED STATES and FRANCE has at last been agreed upon. The rate of postage between the countries will be nine cents, or fifty centimes for each half ounce in this country, or ten grammes in FRANCE. Prepayment is to be optional, but the want of it will subject letters to a fine of five cents or twenty centimes, to be retained by the country collecting it. Each country will retain the postage collected therein, and pay for the transportation of mails to the other.

The formal ratifications of the postal treaty with JAPAN, have been exchanged in Washington, but it will not go into effect until after six months from the date of notification by the Japanese Government of its readiness for the withdrawal of our present postal agents in JAPAN. The rate provided in the treaty is twelve cents per half ounce between the countries.

CALIFORNIA STOCKS.—The *Commercial Herald and Market Review*, of San Francisco, under date of February 12th, 1874, publishes a list of one hundred and seventy-four stocks; showing the number of shares of each stock sold each month in the year 1873, with the lowest and highest prices realized during each month; together with the aggregates of each for the whole year. The total sales for the year were $146,395,000.

CALIFORNIA.—A new banking firm, with the style and title of the BANK OF SAN FRANCISCO, has just been organized in that city. Their objects are, to purchase large tracts of land, subdivide, improve, and sell the same, taking payments in monthly installments; do a general banking business, discount paper, sell exchange, and advance money on securities. The capital stock is $1,000,000, of which 20 per cent. is to be paid at the time of subscription. Its officers are N. P. COLE, President; FRANK M. PIXLEY, Manager; H. MCPHERSON, Secretary; R. F. KNOX, Treasurer; and THOMAS B. LEWIS, Land and Building Agent.

QUICKSILVER.—The Vallejo *Chronicle* says that since the first of July last, the average production of quicksilver in the St. John Mine has been two hundred flasks per month; some months the yield reaching as high as 300 flasks; and then again falling to a much lower amount. In the Wilson drift—making the third level—which the workmen have been recently engaged in running, metal has been struck. Ore is also being still taken out in the Vallejo drift. The mine is now employing about sixty men.

REDEMPTION OF BONDS.—The State Treasurer of CALIFORNIA gives notice that the sum of four hundred thousand dollars in the State Treasury, is set apart for the redemption of Civil Bonds of said State; notice is given that proposals for the surrender of said bonds will be received for the amount above specified until the first day of June, A. D. 1874, at 11 o'clock A. M.

NEW AUSTRALIAN MAIL SERVICE.—A steamer will be dispatched from San Francisco by the Australian Mail Steamship Company every fourth Saturday, commencing January 31st. In addition to the Macgregor, the following steamers will take their place in the line: Tartar, 2,252 tons; Mongol, 2,252 tons; Mikado, 3,030 tons; Cyphrenes, 2,000 tons.

COLORADO.—The PEOPLE'S BANK OF PUEBLO, COLORADO, has been converted into the PEOPLE'S NATIONAL BANK, with a general banking and exchange business. This bank offers to make collections throughout COLORADO, NEW MEXICO and adjoining Territories, with prompt remittances. President, W. A. OFFENBACHER; Cashier, JOHN R. LOWTHER. Their New York correspondents are DONNELL, LAWSON & CO.

Golden.—The FIRST NATIONAL BANK OF GOLDEN, Jefferson County, COLORADO, (No. 2140), was organized in March, with a capital of $50,000. President, GEORGE W. ROBINSON; Cashier, FRANCIS E. EVERETT. Their New York correspondent is the NINTH NATIONAL BANK. The new bank succeeds to the business of Mr. F. E. EVERETT.

GEORGIA.—The old mercantile firm of BRANCH, SONS & CO., at Augusta, GEO., has resumed the banking business in connection with their commercial trade. They will execute promptly orders for cotton, and give special attention to the collection of mercantile paper in the States of GEORGIA and ALABAMA.

ILLINOIS.—The Chicago Board of Trade adopted resolutions in April, asking Congress not to adopt any legislation which will result in an increase of the volume of paper currency, and appealing to the President, in case such legislation shall be adopted by Congress, to interpose his veto.

Pontiac.—The NATIONAL BANK OF PONTIAC, Livingston County, was organized in March with a capital of $50,000. President, JAMES E. MORROW; Cashier, OGDEN P. BOURLAND; Vice-President, LESTER E. KENT.

MARYLAND.—The House of Delegates, at Annapolis, has passed the bill to charter the CALVERT BANK, of Baltimore. It names as commissioners to organize the bank, J. HARRY LEE, SAMUEL T. MORGAN, T. KEATING STUART, EDWARD D. MCCONKEY, JOSEPH S. SMITH, M. W. LEIB, WALLACE KING, and ANDREW C. TRIPPE. The capital stock of the bank is $100,000, divided into ten thousand shares of $10 each. As soon as five thousand shares are subscribed for, and one-half thereon paid in, the bank may be organized. One dollar per share is to be paid on every share subscribed, at the time of subscribing. The business of the bank is to be conducted by a president and eight directors, the president and directors to hold their offices for one year; each director is required to own fifty shares of the stock, the commissioners to own thirty. The cashier is to bond in the sum of $25,000, and $5,000 additional for every $100,000 added to the capital stock. The president, directors and cashier are to swear to perform their duties faithfully. The shares are to be paid for gradually, but failures to pay up are visited with forfeitures to the bank. The president and directors are empowered to remit the forfeitures. The bank will not loan money with its capital stock as security for the debt. The bill is voluminous in its provisions to effect an organization, and continue in work the machinery of the bank. It enacts that directors must be directors

in that bank only, and none but actual residents of the UNITED STATES may vote on stock. The legislature chartered also the DROVERS AND MECHANICS' BANK, of Baltimore.

STOLEN BONDS.—The amicable replevin suit of the THIRD NATIONAL BANK of Baltimore *against* Messrs. JOHNSTON, BROTHERS & CO., bankers of that city, was tried recently in the Superior Court of Baltimore. In March, 1873, Messrs. JOHNSTON, BROTHERS & CO. received through one of their New York correspondents three Western Maryland third mortgage guaranteed bonds, of $1,000 each, for sale on commission. Upon careful examination, Messrs. JOHNSTON, BROTHERS & CO. believed that they discovered traces of alteration by acid in the numbers of the bonds, and sent them to the office of the Western Maryland Railroad Company to inquire if they were all right. The president of the road declined to commit his company by the expression of a positive opinion on the subject. The Messrs. JOHNSTON then wrote to their correspondents declining to sell the bonds without a special guarantee. This guarantee was not given, but, in a day or two, the party who left the bonds with the New York house for sale presented to Messrs. JOHNSTON, BROTHERS & CO. an order from their New York correspondent for their delivery to him; but in the meantime Messrs. JOHNSTON, BROTHERS & CO., recollecting the fact that three thousand dollars of Western Maryland bonds had been stolen from the THIRD NATIONAL BANK, notified the bank of their suspicions regarding these bonds, and requested their prompt attention to the matter. Messrs. JOHNSTON, BROTHERS & CO. let the bank have one of the bonds for examination by experts, and upon being satisfied that the bonds had really been altered, consented that the bank should replevy them, upon giving satisfactory security. This was done, the THIRD NATIONAL BANK, and Mr. P. S. CHAPPELL, its President, individually, becoming security, and agreeing that JOHNSTON, BROTHERS & CO. be protected by them from all loss or damage, including counsel fees and other expenses of the suit. The jury were satisfied that the bonds were satisfactorily identified, and the bank gained its suit, thus saving three thousand dollars, for which the officers do not hesitate to express their sense of obligation to Messrs. JOHNSTON, BROTHERS & CO., through whose instrumentality alone the information that led to the recovery of the bonds was obtained.

BALTIMORE.—By virtue of an act of Congress authorizing the FIRST NATIONAL BANK OF ANNAPOLIS, to change its location and name, the bank will be removed to Baltimore city, occupying the new banking house eligibly located at the corner of Light and German Streets, and will be open for business about the middle of May, under the name of THE TRADERS' NATIONAL BANK OF BALTIMORE. Subscriptions for additional stock, not to exceed two hundred thousand dollars, will be received at the banking house of Messrs. ROBERT GARRETT & SONS, South Street, Baltimore, payable on or before the 1st of June next. WILLIAM H. TUCK, President. CLAYTON CANNON, Cashier.

MASSACHUSETTS.—The affairs of the NATIONAL BANK of Brighton are undergoing examination, and thus far resulted in the discovery that funds of the institution have been misappropriated to the extent of from $70,000 to $100,000. The sum drawn from the bank is understood to have been used in the purchase of real estate in Brighton, Watertown, and Newton, and has been made good by the surrender of the property to the bank. After an examination of the affairs of the NATIONAL BANK OF BRIGHTON, Col. NEEDHAM makes the following statement:

NATIONAL BANK OF BRIGHTON, April 7, 1874.

To the President and Directors of the National Bank of Brighton:

GENTLEMEN: Having had occasion from my recent examination to call your attention to certain transactions of your late President, J. C. ORDWAY, which transactions were unauthorized and dangerous to the permanency and safety of your institution, I have to say that your prompt dismissal of Mr. ORDWAY meets my hearty approval. I am happy that the deficit accruing by the temporary misapplication of the funds of the bank has been made good by the late president, and that the bank is in a sound condition, and is not a loser by any of his transactions. DANIEL NEEDHAM, *National Bank Examiner.*

Boston.—By the will of the late BENJAMIN T. REED, of Boston, former president of the SHAWMUT BANK, the Episcopal Theological School at Cambridge, which received $100,000 from Mr. REED, during his lifetime, will, at the death of Mrs. REED, receive $200,000 more, with a house in Boston and another in Lynn. Four hospitals receive $5,000 each, and JOHN A. REED, the son of the testator, receives $100,000. The remainder of the property is divided into three parts, one of which goes to the Cambridge Theological School, and the others revert to it if the legatees die childless.

Northampton.—At a recent meeting of the NORTHAMPTON NATIONAL BANK, OSCAR EDWARDS was chosen president, vice the late ELIPHALET WILLIAMS; J. L. WARRINER, for many years cashier, was elected vice-president, while JOHN WHITTLESEY, the former teller, was given the cashiership.

MINNESOTA.—The NATIONAL MARINE BANK, of St. Paul, was defrauded, in April, of $4,800 by a stranger, who deposited a fraudulent check. The MERCHANTS' NATIONAL BANK, at St. Paul, was defrauded of $3,600 by the same man. Banks cannot be too careful in their dealings with strangers. The telegraph is available at all times to prevent such frauds.

MONTANA.—The PEOPLE'S NATIONAL BANK, at Helena, MONTANA, was burned by the great fire at that place on the 9th of January last. The loss sustained was only six thousand five hundred dollars, their vault and safes being uninjured, and business was re-commenced with only two days interruption. Country bank buildings should be constructed of brick or stone, substantially, to avoid losses to stockholders and to customers of such institutions. As depositories for valuable securities of private individuals, as well as the assets of the banks, such buildings should be thoroughly fire-proof.

NEW JERSEY.—Mr. JAMES DAYTON has been elected President of the NATIONAL BANK OF NEW JERSEY, located at New Brunswick, to succeed the late JOHN B. HILL, who had held the office many years.

Railroads.—The Montclair Railroad, from Jersey City to Montclair, was sold at Jersey City, April 4, by a receiver, under order of court, to WM. A. GUEST, of New York, for $6,250, subject to the first and second mortgages and interest. The mortgages on the road are to the amount of $3,000,000. There are $1,800,000 of first mortgage bonds, 7 per cent., gold, and of second mortgage, $1,500,000. The second mortgage bonds were issued to cover the floating debt. The capital stock is $2,000,000, the whole of which may be considered sunk, and whatever of liability there may be outside of the first two mortgages. The rolling stock of the company is inconsiderable. It is claimed that the holders of the first and second mortgage bonds are perfectly secured against all loss; that the bonds are just as good as ever and the holders have nothing to fear.

NEW YORK.—Mr. EMILE SAUER has resigned the presidency of the GERMAN-AMERICAN BANK, Broadway. No successor has been elected at the present writing.

Albany.—Governor DIX, of NEW YORK, on the 7th of April, addressed a communication to the legislature, urging an appeal to the New York senators and representatives at Washington, to make their protest against the recent congressional schemes for inflation. Mr. BATCHELLER, from the Ways and Means Committee, reported resolutions approving the sentiments of the message, and requesting the New York senators and representatives in Congress to promote an early return to specie payments and to resist the inflation of the currency. The Senate's resolutions were then read, and there was a sharp debate between Mr. BATCHELLER (Republican) and Mr. BEEBE (Democrat) as to the course of their respective parties, when Mr. ALVORD, after, as he said, "pouring the oil of the independent party on the troubled waters," moved the previous question, which was ordered, and the resolutions were adopted UNANIMOUSLY.

NORTH CAROLINA.—The COMMERCIAL NATIONAL BANK OF CHARLOTTE, Mecklenberg County, N. C., (No. 2135), was organized in February, with a present capital of $50,000, limited to $100,000. President, C. DOWD; Cashier, R. M. MILLER.

OHIO.—D. D. WILLIAMS, Cashier of the CONNEAUTVILLE NATIONAL BANK, OHIO, which was reported robbed some weeks ago, was arrested in March, a defalcation of $27,000 having been discovered, in addition to the loss of $47,000 by the alleged robbery.

Church Hill.—Hereafter the business of the bank of WALKER, LESLIE & Co. will be transacted at the GIRARD SAVINGS BANK, Girard, O., by the only surviving partner, and, after all the deposits are drawn, will be closed.

West Liberty.—In consequence of the death of R. E. RUNKLE, President of the LOGAN COUNTY BANK, and of the resignation of H. L. RUNKLE, as Cashier, Mr. SAMUEL TAYLER has been appointed President, and Mr. F. P. TAYLER, Cashier, of this institution.

PENNSYLVANIA.—A settlement was completed April 6th, between the Northern Pacific Railroad Company and the estate of JAY COOKE & Co., whereby the advances made by the latter to the former are discharged by the acceptance of the company's first mortgage bonds and other securities. This settlement leaves the railroad company with only a nominal floating debt to be provided for.

New Loan.—Messrs. DREXEL & Co., of Philadelphia, have placed in London, through Messrs. J. S. MORGAN & Co., a loan of $1,000,000 of the Lehigh Valley Railroad Company sterling bonds, issued under their consolidated mortgage. These are six-per-cent bonds, bearing interest from March 1, and were issued at 90 per cent. in sterling, and although the books remained open for two days only the total subscriptions amounted to £7,000,000 sterling. Though the Lehigh Valley Railroad Company, of which Judge PACKER is at the head, is known at home to be of excellent credit, second, perhaps, to that of no other company of like magnitude in the country, but being a local work, is comparatively unknown in the European money markets, the proposition to borrow a million sterling at 6 per cent., based almost entirely on the representation of the American house as to the credit of the company, was, in the face of so many failures recently to borrow there, somewhat hazardous; but that the subscription should be so prompt and so large—seven times more than the amount asked—is something of a surprise, and reflects credit alike on the company and the negotiators.—*Ledger.*

Philadelphia.—The Philadelphia Board of Brokers held their annual election for officers March 2d, when the following ticket was elected: President, HENRY G. GOWEN; First Vice-President, E. ROBINS; Second Vice-President, WM. J. MORRIS; Third Vice-President, HARRY CONNELLY. Standing Committee—BENJAMIN P. HUTCHINSON, THOMAS A. BIDDLE, HENRY L. GAW, ABM. BARKER, JOSEPH C. HARRIS, JOHN MARKOE, TOWNSEND WHELEN, and JAMES B. YOUNG. Secretary and Treasurer, JOHN C. JOHNSON.

Philadelphia.—The MECHANICS' NATIONAL BANK of Philadelphia have constructed a new building, No. 24 South Third Street, where business was recommenced on the 24th of February. President, GEORGE H. STUART; Vice-President and Cashier, JOHN ROMMELL, Jr; Assistant Cashier, WILLIAM UNDERDOWN. Capital $800,000. Their New York correspondent is the NATIONAL BANK OF THE REPUBLIC.

Brookville.—The FIRST NATIONAL BANK OF BROOKVILLE, located at Brookville, Jefferson County, in the State of PENNSYLVANIA, is closing its affairs. All note holders and other creditors of said association are notified to present the notes and other claims against the association for payment. Messrs. WILLIAM F. CLARK & SON are the only bankers at that place.

Railroads.—The Hummelstown and Middletown Cut-off Railroad—a new road shortly to be built between Middletown and Hummelstown, in Dauphin County—will, when completed, form a very important link between the Lebanon Valley and the Pennsylvania Central roads. These villages are equal distances from Harrisburg, the first lying on the banks of the Susquehanna river, at the junction of the branch road bordering along that stream to Columbia, Lancaster County, and the main track running to Elizabethtown, Mount Joy, &c., while Hummelstown is in the heart of the rich and fertile valley of Lebanon, directly on one of the great highways to the Eastern sea-

board. It will shorten the distance for the transportation of lumber from the Susquehanna river through the Lebanon valley, while in return the furnaces along the Susquehanna, on the Peach Bottom, will thus secure, by cheaper transit, their supplies of ore and coal. By just such a cross-road running from Reading to Columbia, immense quantities of coal are now shipped southward, over the Northern Central to Baltimore.

VIRGINIA.—Gen. A. A. HUMPHREYS, Chief of the Engineering Department, U. S. A., has made a report on the James River and Kanawha Canal project, which was laid before the Senate to-day. The Board of Survey reports to the Secretary of War the following conclusions:

First: That it is entirely practicable to connect the waters of the James and Ohio Rivers by a water navigation of seven feet in depth. The tunnel that will be required would be about the length of the Mont Cenis Tunnel, but it would go through rock very easily excavated, and could be driven from shafts of moderate height, and at distances seldom exceeding one mile.

Secondly: That an ample water supply can be commanded.

Thirdly: That the tunnel should be a single tunnel, with turnouts provided in sufficient number to admit of vessels passing.

Fourthly: That the proposed water-line can be completed in six years at a cost of not exceeding $60,000,000, and that the cost may reasonably be expected to be within $55,000,000, and may possibly not exceed $50,000,000.

Lastly: That, in the opinion of the Board, this route presents extraordinary claims as the measure of relief to the population of the Western States, in furnishing them for their bulky productions cheap transportation to a market, and for fostering the commerce of the UNITED STATES, by developing immense mineral resources now neglected.

RICHMOND.—T. T. BROOCKS, late President of the MERCHANTS' NATIONAL BANK of Petersburg, who was indicted by the Grand Jury of the United States Circuit Court, for embezzling and misapplying the moneys and credit of that institution, to the amount of about $900,000, had his bail fixed at $25,000 for his appearance for trial the first week in May.

TEXAS.—The firm of TIDBALL & WILSON has recently been established at Fort Worth, Tarrant County, TEXAS, where a general banking business is transacted. This firm gives special attention to collections throughout the State of TEXAS and on all accessible points, and proceeds promptly remitted. Their New York correspondents are DONNELL, LAWSON & Co., 4 Wall st.

TEXAS MAIL ROUTES.—A stage coach carrying the mail and eleven passengers, including three ladies, was stopped by three highwaymen, about 23 miles from Austin, TEXAS, in March last. The robbers rifled the mail and took about $3,000 in money and jewelry from the passengers. Among the passengers were Bishop GREGG, and Mr. BRECKINRIDGE, President of the NATIONAL BANK of SAN ANTONIO. The latter lost $1,000.

WISCONSIN.—The FIRST NATIONAL BANK of DE PERE, Browne County, was organized in January last. President, GUSTAVUS S. MARSH; Cashier, HERBERT R. JONES. Capital, $50,000. Their New York correspondent is the CHEMICAL NATIONAL BANK.

NEW WORK ON THE CURRENCY.—A history of American Currency, with chapters on the English Bank Restriction and Austrian Paper Money. By WM. G. SUMNER, Professor of Political and Social Science in Yale College. To which is appended "The English Bullion Report." Large 12mo., with diagrams. Price, three dollars. Prof. SUMNER is an admirable writer on financial topics, and one of the soundest that the present financial discussions have brought prominently out.

AMERICAN MUNICIPAL BONDS, AS INVESTMENTS, &C.—This is the title of a work edited by the well-known house of J. H. BUDALL & SONS, London, bankers. They state in their preface that they are indebted for the legal,

branch of the subject to W. N. COLER'S work on Municipal Bonds. J. H. BUDALL & SONS are the agents for the Municipal Trust of London, established for the purpose of investments in bonds of Municipalties within the UNITED STATES OF AMERICA. Their correspondents in this country are W. N. COLER & CO., No. 17 Nassau street, New York.

An analysis of the transactions of the BANK OF ENGLAND, from 1844 to 1872; with observations on the relation of the Banking Reserve to the current rate of interest. By R. H. INGLIS PALGRAVE, London. Price, $2.

GOLD CIRCULATION.—Mr. ERNEST SEYD, a London banker, writes to the London *Times* to correct the estimates of the United States Bureau of Statistics as to the amount of money circulating in the UNITED KINGDOM. His corrections are two. He maintains that the gold coin in use is much greater, and the paper money in circulation much smaller in amount than has been stated. Instead of £85,000,000, he claims that there is a sum of at least £105,000,000 in gold coin, and he further estimates the silver and copper coinage at £18,000,000, instead of £16,000,000. But the bank issues were also greatly overstated. By the last return there was but £38,500,000 of paper money in the kingdom. The total active circulation is set down at £161,500,000, which is almost £20,000,000 greater than had been estimated by our Bureau of Statistics. This is a point in favor of the per capita theory.

CANADA.—The EASTERN TOWNSHIPS BANK, located at Sherbrooke, has established a branch at Richmond, Province of Quebec, under the management of Mr. A. J. CLEVELAND; also, at Coaticook, with Mr. B. AUSTIN as manager. They have other branches at Cowansville and Waterloo, and have discontinued that at Stanstead. This bank, incorporated in the year 1855, with a capital of $1,000,000, under the management of Mr. B. POMROY, President, and Mr. WM. FARWELL, Jr., Cashier, offers to make collections in any part of CANADA. Their Boston correspondent is the NATIONAL EXCHANGE BANK; in London, the BANK OF MONTREAL.

Montreal.—Books for subscription to the stock of the FEDERAL BANK OF CANADA were opened, in March, at the offices of STRATHY & STRATHY, 100 St. Francois Xavier Street, and BOND BROTHERS, stock brokers, Montreal; BLAIKIE & ALEXANDER, CAMPBELL & CASSELS, CLARKE & FIELDE, and WM. PATERSON & CO., stock brokers, Toronto, and KIRKPATRICK & ROGERS, Kingston.

Canadian Currency.—A large amount of drafts, similar to bank bills, and drawn in amounts of $1 and upward, are being put in circulation in MAINE and other portions of NEW ENGLAND; the Aroostook section of the State being literally flooded with them. They are drawn by parties resident in the Dominion of CANADA on bankers in Boston, and intended for general circulation. The probability seems to be that these drafts are reissued by the Boston bankers, and not indorsed once nor stamped. The proceeding appears like the evasion of the banking laws of both this country and CANADA, and works against the legitimate and taxable notes of our circulation.

Banks and Bankers.—The second edition of the "BANKER'S ALMANAC FOR 1874," is now ready, containing the names of one hundred new banks and banking firms, and the names of new bank presidents and cashiers elected in 1874; names of Foreign Bill Drawers in New York; Interest Laws of all the States; names of 3,000 bankers in EUROPE, ASIA, AUSTRALIA, SOUTH AMERICA, &c. 300 pages. *Published at the office of the* BANKER'S MAGAZINE, 251 *Broadway, New York.* Price, three dollars. A third edition of the *Banker's Almanac* is now in preparation, for which are solicited the names of new banks, bankers and savings banks; with the names of recently appointed presidents and cashiers.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from April Number, page 835.)

☞ Additions for this list are solicited from the subscribers to this work.

NEW YORK CITY.

Corlies, Macy & Co., 39 Nassau St.
Dellinger, Treichel & Co
W. H. Gladwin & Co.
Robb & Peet, 58 Wall Street.
Howes & Co.
Farnham, Bishop & Co.
S. M. Mills & Co.
W. H. Mosley & Co.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Trinidad, COL.	Boyles & Lynch	Tradesmen's Nat. Bank.
Golden, "	First National Bank	Ninth National Bank.
Metamora, ILL.	Wikoff & Bowen	H. K. Thurber & Co.
Pontiac, "	National Bank of	....
Columbia City, IND.	E. L. McLallen & Co.	Winslow, Lanier & Co.
New Castle, "	M. L. Bundy	Allen, Stephens & Co.
Brooklyn, IOWA	W. W. Lyons	Corbin Banking Co.
Carroll, "	William Gilley	George Opdyke & Co.
Boston, MASS.	Corbin Banking Co.	N. Y. Branch.
Baltimore, MD.	Traders' National Bank	....
Detroit, MICH.	Robert Hosie	Philip Speyer & Co.
St. Clair, "	St. Clair Banking Co.	Henry Clews & Co.
Minneapolis, MINN.	Merchants' National Bank	....
Grenada, MISS.	N. C. Snider	Henry Talmadge & Co.
Gallatin, MO	Farmers' Exchange Bank	Donnell, Lawson & Co.
St. Louis, "	Security Bank	National Park Bank.
Rochester, N. H.	Rochester National Bank	*None.*
Seward, NEB.	State Bank of Nebraska	Gilman, Son & Co.
Elmira, N. Y.	Bank of Chemung	Metropolitan N. Bank.
Farmer Village, "	O. G. & D. C. Wheeler	Irving National Bank.
Troy, "	Cipperly, Cole & Haselhurst	Fisk & Hatch.
Charlotte, N. C.	Farmers' Savings Bank	Imp. & Traders' N. B.
Bucyrus, OHIO	Scott & Adams	Nassau Bank.
Canton, "	Farmers' Bank	Manhattan Bank.
Mansfield, "	Mansfield Savings Bank	German-American Bank.
Newburgh, "	South Cleveland Banking Co.	First National Bank.
Steubenville, "	Sherrard, Mooney & Co.	Second National Bank.
Philadelphia, PA.	Alfred Smith & Co.	Glendinning, Davis & A.
" "	W. G. Huey & Co	Glendinning, Davis & A.
" "	W. G. Hopper	....
" "	H. L. Gaw & Co	....
Chambersburg, "	Franklin Sav. Fund & S. Dep. Co.	Henry Clews & Co.
Greensburg, "	Greensburg Banking Co.	Lloyd, Hutchinson & Co.
Hollidaysburg, "	Gardner, Morrow & Co.	*None.*
Pittsburgh, "	Allegheny Homestead Bank	Imp. & Traders' N. B.
Rochester, "	Beaver Co. B'g & Safe Dep. Ass'n	Third National Bank.
Williamsport, "	City National Bank	Metropolitan Nat. Bank.
Galveston, TEXAS	H. Seeligson & Co.	Ninth National Bank.
Farmville, VA.	Commercial Savings Bank	Union National Bank.
Morgantown, W. VA.	Morgantown Bank	Hanover National Bank.
Beloit, WIS.	Crim & Starkweather	National Park Bank.
De Pere, "	First National Bank	Chemical National Bank.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from April No., page 836.)

MAY, 1874.

Banks are requested to furnish prompt notice of any future changes.

Name of Bank.	*Elected.*	*In place of*
People's Sav. Bank, Mobile, ALA.	Peter Stark, *Pres.*	P. C. Conly.
Bank of Mobile, " "	William H. Pratt, *Pres.*	Charles Walsh.
Masonic S. B., San Francisco, CAL.	Hiram T. Graves, *Sec.*	L. E. Pratt.
Colorado Nat. B'k, Denver, COL.	Charles B. Kountze, *Pres.*	Augustus Kountze.
Conn. Riv. B. Co., Hartford, CONN.	Samuel E. Elmore, *Pres.*	George M. Welch.
Citizens' N. B., Middletown, DEL.	Henry Clayton, *Pres.*	J. V. Crawford.
N. B. Delaware, Wilmington, "	Richard H. Ewbanks, *Cash.*	Samuel Floyd.
Georgetown S. B., Georgetown, D.C.	H. Polkinhorn, *Pres.*	A. H. Pickrell.
Planters' Loan & S. B., Augusta, GA.	Thomas P. Branch, *Pres.*	Charles J. Jenkins.
" " " "	Joseph S. Bean, Jr., *Cash.*	Thomas P. Branch.
Fifth National Bank, Chicago, ILL.	N. Ludington, *Pres.*	Charles B. Sawyer.
Mechanics' Nat. Bank, " "	Ezra B. McCagg, *Pres.*	J. Young Scammon.
" " " "	P. R. Forrest, *Cash.*	Joseph S. Reed.
Com. Loan Co., Branch, " "	Fred. Meyer, *Cash.*	W. H. Reed.
Cook County Sav. Bank, " "	Charles H. Mulliken, *Cash.*	Lucius Hoyt.
State Street Sav. Bank, " "	Enos Brown, *Pres.*	C. N. Shipman.
First Nat. Bank, Newcastle, IND.	John T. Elliott, *Pres.*	M. L. Bundy.
" " " "	Robert M. Nixon, *Cash.*	John Thornburgh.
First Nat. Bank, Winchester, "	Joseph Puckett, *Cash.*	A. Quick.
Exch. B. & Tob. Warehouse Co., Louisville, KY.	Charles F. Harvey, *Pres.*	William V. Loving.
First Nat. Bank, Harrodsburg, "	A. B. Bonta, *Pres.*	C. C. Moore.
American-German B., Paducah, "	H. M. Gibson, *Pres.*	Q. Q. Quigley.
" " " "	Geo. C. Thompson, *Cash.*	R. D. Steele.
Hibernia N. B., New Orleans, LA.	John G. Devereux, *Cash.*	James J. Tarleton.
First Nat. Bank, St. Clair, MICH.	J. C. Clarke, *Cash.*	Gabriel S. Holbert.
Bank of St. Louis, St. Louis, MO.	W. F. Dieterichs, *Cash.*	August Bock.
Home Savings Bank, " "	T. B. Moore, *Cash.*	H. C. Pierce.
State Nat. Bank, Lincoln, NEB.	L. C. Richards, *Cash.*	Nelson C. Brock.
Union Nat. B'k, Frenchtown, N. J.	Philip G. Reading, *Pres.*	Henry Lott.
Lambertville N. B., Lambertville, "	Isaiah P. Smith, *Cash.*	William Crook.
Mt. Holly Nat. B'k, Mt. Holly, "	Thos. D. Armstrong, *Pres.*	Moses Wills.
" " " "	Floyd Armstrong, *Cash.*	Thos. D. Armstrong.
Nat. B. of N.J., New Brunswick, "	James Dayton, *Pres.*	John B. Hill.
Fulton Bank, Brooklyn, N. Y.	Edward A. Lambert, *Pres.*	Alexander G. Johns.
Farm. & Mechanics' Bk, Buffalo, "	Franklin Sidway, *Cash.*	S. S. Spalding.
Delaware Nat. Bank, Delhi, "	G. E. Marvine, *Pres.*	Charles Marvine.
National Bank of Fayetteville, "	Hiram Eaton, *Pres.*	D. E. Hurd.
" " " "	O. D. Blanchard, *Cash.*	Hiram Eaton.

Name of Bank.		*Elected.*	*In place of*
First Nat. Bank, Plattsburgh,	N.Y.	Merritt Sowles, *Pres.*	F. S. Winslow.
Com. Nat. B'k, Saratoga Springs,	"	John T. Carr, *Pres.*	Charles S. Lester.
Farm. & Drovers' N. B., Somers,	"	Alonzo B. Thacker, *Cash.*	Thomas H. Reed.
H. D. Barto & Co's Bank, Trumansburg,	"	Charles P. Barto, *Pres.*	H. D. Barto.
Commercial N. B., Charlotte,	N. C.	Archibald Graham, *Cash.*	R. M. Miller.
Merch. & Farmers' N. B. "	"	Thomas H. Brem, *Pres.*	Clement Dowd.
Second Nat. Bank, Jefferson,	O.	Abner Kellogg, *Pres.*	Henry Talcott.
Mansfield Bkg. Co., Mansfield,	"	Fred. Bird, *Cash.*	J. M. Sharpe.
First Nat. Bank, Plymouth,	"	Josiah Brinkerhoff, *Pres.*	S. M. Robinson.
Ravenna Sav. & Loan Asso., Ravenna,	"	James H. Nichols, *Pres.*	P. B. Conant.
Jefferson Nat. B'k, Steubenville,	"	Charles Gallagher, *Cash.*	William Spencer.
Citizens' Nat. Bank, Urbana,	"	Oliver Taylor, *Pres.*	Jas. B. Armstrong.
First Nat. Bank, Van Wert,	"	John M. C. Marble, *Pres.*	Charles Emerson.
Logan Co. B'k, West Liberty,	"	Samuel Taylor, *Pres.*	R. E. Runkle.
" " "	"	F. P. Taylor, *Cash.*	H. L. Runkle.
Monroe Bank, Woodsfield,	"	Samuel L. Mooney, *Pres.*	A. C. Miller.
Seventh Nat. B'k, Philadelphia,	PA.	David B. Ervin, *Pres.*	Alexander Ervin.
Citizens' Bank, "	"	John Wiegand, Jr., *Pres.*	George de B. Keim.
Diamond S. B., Allegheny City,	"	John Hamilton, *Pres.*	H. M. Boyle.
Farmers' Nat. B'k, Greensburg,	"	Richard Coulter, *Pres.*	George F. Huff.
" " "	"	George F. Huff, *Cash.*	William A. Watt.
First Nat. Bank, Harrisburg,	"	William Calder, *Pres.*	Jacob R. Eby.
People's S. B., Monongahela City,	"	A. C. Sampson, *Pres.*	James Sampson.
N. B. of Lawrence Co., New Castle,	"	William Patterson, *Pres.*	Robert Crawford.
Mer. & Manuf. N. B., Pittsburgh,	"	W. A. Shaw, *Cash.*	John Scott, Jr.
City Dep. & Trust Co., "	"	B. M. Everson, *Cash.*	Edward A. Macrum.
Franklin S.B. & S.D. Co., "	"	Joseph M. Gazzam, *Pres.*	A. L. McFarlan.
Farmers' Sav. Bank, Reading,	"	Henry S. Eckert, *Pres.*	Isaac Eckert.
Globe Nat. Bank, Providence,	R. I.	Jesse Metcalf, *Pres.*	William Sprague.
Freed. S. & T. Co., Beaufort,	S. C.	Frederick Douglas, *Pres.*	J. W. Alvord.
Nat. Bank of Spartanburg,	"	D. C. Judd, *Pres.*	G. Cannon.
B'k of Commerce, Memphis,	TENN.	John T. Fargason, *Pres.*	Edgar McDavett.
Emmet Bank, "	"	W. Y. Hamlin, *Cash.*	John Lodague.
First Nat. Bank, Austin,	TEXAS.	G. W. Brackenridge, *Pres.*	E. M. Pease.
" " "	"	John A. Fraser, *Cash.*	Wm. M. Bissell.
Paris Exchange Bank, Paris,	"	Simeon E. Clement, *Cash.*	L. H. Williams.
First Nat. Bank, Alexandria,	VA.	S. Ferguson Beach, *Pres.*	Lewis McKenzie.
People's Sav. B'k, Lynchburg,	"	Charles M. Blackford, *Pres.*	J. D. Langhorne.
First National Bank, Norfolk,	"	Wm. H. Turner, *Pres.*	William Lamb.
Merchants' Nat. B. of West Virginia, Morgantown,	W. VA.	David H. Chadwick, *Pres.*	George M. Hagans.
First Nat. Bank, La Crosse,	WIS.	Wm. A. Sutor, *Pres.*	A. McMillan.
" " "	"	John A. Thomas, *Cash.*	William A. Sutor.
Wyoming N. B., Laramie City,	WY.	C. B. Root, *Cash.*	A. C. Swain.

FUNDING THE U. S. DEBT.—The Secretary of the Treasury reports that the cost of refunding the National debt into five-per-cent. bonds so far as it has been accomplished, has been $ 1,440,792. The whole amount of bonds refunded is $ 314,416,150.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from April No., page 837.)

NEW YORK CITY.

Dellinger, Crawford & DeWolf. Farnham, McFadden & Co.
W. H. Gladwin. Samuel M. Mills.

ALABAMA.—George C. Bennett, *Mobile;* Daniel Pratt, *Prattville.*

COLORADO.—Larimer County Bank, *Fort Collins;* F. E. Everett, *Golden City,* (succeeded by First National Bank.)

CONNECTICUT.—Franklin G. Guion, *New Britain.*

GEORGIA.—Joseph H. Johnson, *Griffin.*

ILLINOIS.—S. P. Smith's Bank, *Sparta.*

IOWA.—Gilley & Wilkinson, *Carroll;* Citizens' National Bank, *Sioux City;* J. A. Schmidt & Co., *Spencer.*

KENTUCKY.—Bank of America, *Louisville;* Central Savings Bank, *Louisville;* W. J. Bacon & Co., *Cadiz;* Gorin, Trigg & Co., *Glasgow,* (succeeded by Trigg & Co.); Branch Bank of Louisville, *Paducah;* Norton, Wisdom & Co., *Paducah.*

MARYLAND.—First National Bank, *Annapolis,* (removed to Baltimore, MD., as the Traders' National Bank.)

MINNESOTA.—Merchants' National Bank, *Hastings,* (removed to Minneapolis, MINN.)

MISSOURI.—Clerks' Savings Bank, *St. Louis,* (changed to Security Bank); Canton Savings Bank, *Canton;* Armstrong & Thomson, *Gallatin.*

NEW HAMPSHIRE.—John McDuffee & Co., *Rochester,* (succeeded by Rochester National Bank.)

NEW YORK.—Wheeler & Peterson, *Farmer Village;* Farmers' National Bank, *Fort Edward,* (name and location changed to North Granville National Bank, North Granville, N. Y.); Rochester Loan & Trust Co., *Rochester;* Second National Bank, *Havana,* (name changed to Havana National Bank); Tillinghast & Co., *Troy;* Andrew Alexander, *West Troy.*

OHIO.—Scott, Biddle & Co., *Bucyrus,* (succeeded by Scott & Adams); National Deposit Bank, *Lima;* Central Bank, *Sandusky;* Robertson & Co., *Sandusky;* Sherrard & Co., *Steubenville,* (succeeded by Sherrard, Mooney & Co.); R. R. McKee & Co., *Upper Sandusky.*

PENNSYLVANIA.—Lloyd & Hopper, *Philadelphia,* (now W. G. Hopper); William Painter & Co., *Philadelphia;* Homestead Bank, *Allegheny,* (removed to Pittsburgh, PA.; Mory, Boyer & Co., *Boyerstown;* James Gardner & Son, *Hollidaysburg,* (now Gardner, Morrow & Co.); Speyerer & McDonald, *Rochester;* Gaw, Bacon & Co., *Philadelphia.*

WEST VIRGINIA.—John H. Hoffman & Co., *Morgantown,* (succeeded by the Morgantown Bank.)

NATIONAL BANKS OF THE CITY OF NEW YORK.

Abstract of Reports

Made to the Comptroller of the Currency, showing the condition of the National banks of the City of New York, at the close of business, February 28, 1873, September 12, 1873, and February 27, 1874.

LIABILITIES.	*Feb. 28, '73.* 50 *Banks.*	*Sept. 12, '73.* 48 *Banks.*	*Feb. 27, '74.* 48 *Banks.*
Capital stock	$71,285,000	$70,235,000	$69,235,000
Surplus fund	21,304,808	21,923,211	21,937,705
Undivided profits	10,233,861	11,210,470	11,462,268
National bank notes outstanding	27,964,671	27,482,342	27,085,342
State bank notes outstanding	147,387	146,525	122,835
Dividends unpaid	256,822	205,979	177,653
Individual deposits	208,639,378	167,512,662	163,184,295
U. S. deposits	266,935	296,877	423,716
Deposits of U. S. Disbursing Officers	96,424	40,297	40,057
Due to National banks	74,364,848	72,257,769	78,834,937
Due to State banks and bankers	18,307,426	18,113,050	25,824,395
Notes and bills rediscounted	67,910	——	——
Bills payable	48,479	62,125	——
Aggregates	$432,983,953	$389,486,310	$398,328,207

RESOURCES.			
Loans and discounts	$199,071,826	$199,160,887	$202,058,582
Overdrafts	277,387	182,459	383,175
U. S. Bonds to secure circulation	34,358,100	33,870,100	33,833,100
U. S. Bonds to secure deposits	700,000	650,000	650,000
U. S. Bonds on hand	3,747,550	3,332,400	5,143,850
Stocks, bonds and mortgages	3,571,897	4,552,797	5,256,788
From other National banks	13,849,887	15,740,765	10,194,087
From State banks and bankers	1,971,250	2,077,286	1,901,120
Real estate, furniture, &c	8,547,345	8,469,984	8,504,600
Current expenses	1,166,162	905,622	1,134,561
Premiums paid	826,717	766,179	1,647,482
Checks and other cash items	1,609,934	2,058,769	1,546,693
Exchanges for clearing house	110,965,410	67,897,740	46,387,021
Bills of other National banks	1,556,527	2,617,506	4,204,830
Bills of State banks	3,965	1,077	2,340
Fractional currency	298,942	338,394	271,970
Specie	13,498,549	14,585,810	24,686,460
Legal-tender notes	24,532,500	21,468,530	26,646,542
U. S. certificates of deposit	10,890,000	10,810,000	23,875,000
Three-per-cent. certificates	1,540,000	——	——
Aggregates	$432,983,953	$389,486,310	$398,328,207

NOTES ON THE MONEY MARKET.

NEW YORK, APRIL 24, 1874.

Exchange on London, at sixty days' sight, 4.86 *a* 4.86½ *for gold.*

The past month has been one of unusual and profound agitation on the subject of the permanent financial policy of our government. All transient expedients of amelioration, of which there had been an incessant flood since the opening of the present session of Congress were laid aside, and public interest was concentrated on "the Senate Currency Bill," entitled "An Act to fix the amount of United States notes and the circulation of National banks and for other purposes." It seemed to be accepted by the public mind that the passage of this bill, and its signature by the President, would fasten upon the country for an indefinite period the scheme of irredeemable paper currency; and on the other hand that its defeat would have the effect to turn the face of our government finally towards the resumption of specie payments. As we write, at the moment, under the spur of intelligence that the President has returned the bill to the Senate, with the reasons for his veto, we are able to announce that this view of the case appears to be fully justified. The prompt expressions of gratification that the prow of our financial ship is at last turned towards the port of safety, and that its anchors will in due time be "let go" in the harbor of specie redemption, as the President indicates in his message, diffuse a feeling of confidence and trust to which we have long been strangers. Whether this feeling will be maintained by the more deliberate "second thought" of the public mind, of course, remains to be seen. We firmly believe it will. After the long period of fruitless controversy, to which we have been subjected, during which there has been an apparent suspension of sound common sense as well as of specie payments, it is a most grateful relief to hear a definite, and in no small measure an authoritative, announcement from our headquarters of Executive power, that "promises and pledges" are to be redeemed, and that the time has come to set about it in good faith and determined resolution. This is where we now stand. The veto message, we apprehend, cuts off any further twaddling about the scores or hundreds of half-baked "ameliorative" expedients which, in a double sense, *lie* on the tables of Congress, and points with steady hand to the adoption of practical means to restore our currency to the specie standard. A few notes of the manner in which this point of progress has been reached will be useful and instructive for reference hereafter.

On the evening of March 24th, a public meeting of citizens of New York was held in Cooper Institute, to protest against the inflation provided for in the Senate bill referred to. A summary of the proceedings is given on page 887 of the present number.

As a finale to the public proceedings, a petition was drawn up asking the President, in direct terms, to place his veto on any bill whatever that might be passed by Congress to authorize additional issues of paper money. This petition was signed by 2,500 leading business houses in the city of New York; and a meeting was held at the residence of Mr. Cyrus W. Field to take action upon it.

A committee of well-known gentlemen was appointed to take the petition to Washington and to present it in person to the President, which was done accordingly, and views interchanged between them.

The Senate currency bill, which finally passed that body on the 6th of April, will be found on page 895 of the present number.

This bill was passed by the House of Representatives on the 14th of April, by 140 yeas, 102 nays, and 48 not voting; whence it appears that it did not obtain a positive majority of the whole House. It was sent to the President for signature, and the belief was general that he would return it approved. There is no doubt that he had been plied by the strongest of party considerations to give it his concurrence; but the Senate was surprised by its return on the 22d of April, with the reasons of his non-concurrence clearly, explicitly and tersely expressed. He declares the theory of inflation contained in the bill to be "a departure from the true principles of finance, National interest, National obligations to creditors, congressional promises, party pledges on the part of both political parties and of the personal views and promises made by me in every annual message sent to Congress and in each inaugural address."

The President quoted a passage from his annual message of December, 1869, in which he warned Congress against the evils of irredeemable paper money, and earnestly recommended "such legislation as will insure a gradual return to specie payments, and put an immediate stop to fluctuations in the value of currency." He referred also to successive acts of Congress, in which the public faith was solemnly pledged "to make provision, at the earliest practicable period, for the redemption of the United States notes in coin." The whole tone of the veto message is a warning to Congress that the executive concurrence will be withheld from every financial bill that gives support or countenance to the reign of irredeemable paper currency. "*I am not a believer*" he says, "*in any artificial method of making paper money equal to coin.*"

The following analysis of the vote in the House of Representatives will show where resides the dominating influence over the financial legislation of Congress:

	Bank capital in millions.	*Circulation in millions.*	*Vote for inflation.*	*Vote against inflation.*	*Not voting.*
Eastern States	160	110	1	23	4
Middle States	193	125	15	45	14
	353	235	16	68	18
Western & Southern States	140	113	120	34	32
	493	348	136	102	50

A significant observation is provoked by this analysis, viz: that our National financial policy is determined, essentially, by the popular suffrage of that section of country which has been least enlightened by theoretical study of the subject, and where there is least practical acquaintance with the ways and means of commerce. Another observation scarcely less striking is suggested by a comparison of the figures which indicate the relative magnitude and consequence of the interests involved. But for the interposition of the President's veto, every shape of disaster and ruin, which history proves to be inseparable from a system of purely conventional money intrinsically valueless, must have been precipitated with all the force and prestige of our united bank capital of 493 million dollars!

Thanks to President Grant, the threatened calamity has been averted.

An extraordinary force of public opinion was brought to bear on the President while he held the Senate bill under consideration. Chambers of Commerce and Boards of Trade, and other bodies in most of our chief cities, sent forward something in the shape of protest, remonstrance or recommendation. Among the most timely and vigorous messages of this kind with which the President was favored, was that of Governor Dix, of New York, who sent a communication to the legislature, in which, after descanting on the evils of a depreciated currency, he said: "I recommend such an expression on your part as may comport with the dignity of the legislature and as you may deem due to the interests of your constituents. I am not without hope that a timely declaration of your views, to be presented to Congress through the senators and representatives from this State, may arrest the torrent of disgrace and disaster with which the country is threatened from this source. If your protests and warnings are unheeded you will have the consolation of reflecting, when the evil comes upon us, that no effort on your part has been spared to avert it."

The legislature adopted the following among other resolutions, and ordered copies to be transmitted to the President and our members of Congress:

Resolved, That our senators and representatives in Congress be and they are hereby requested to resist, by all efforts in their power, any inflation of the currency through the further issue of circulating notes by the Government or by National banks, and that they be and are hereby requested respectively to promote by all proper measures an early return to specie payments.

The annual report of the New York State Bank Superintendent will have some points of unusual interest, especially in relation to the effect of the panic on the Savings banks. The following extracts are in anticipation of its publication.

The whole number of Savings banks in the State is 155, of which five went into operation under charters granted by the Legislature of 1872-3. The amount of deposits on January 1, 1874, was $258,520,085, showing an increase of only $233,000 from Jan. 1, 1873. The yearly increase since 1867 has averaged about 20 millions. The steady, continuous growth of this interest has been remarkable. Only once in 16 years has there been a falling off, viz., from Jan. 1, 1861, to Jan. 1, 1862, when the deposits decreased under the pressure of the war nearly three and a-half million dollars. The total resources of the banks amount to 307 millions, being a margin of 22 millions above the deposits. Of the whole number 155, seventy-one are in the three counties, New York, Kings and Westchester.

The New York *Evening Post* of April 23d, says of the Stock Market:

A day of greater depression without panic, has hardly ever been known at the Stock Exchange. Prices have had very few rallies, and the decline has been large, many stocks being as low as before inflation was talked of, and some of them nearly down to the figures made during the height of the panic and when the Stock Exchange was closed.

The loans of the N. Y. City banks, have increased during the month ending April 20th, a little more than seven millions, and the reserve has fallen off five millions. There has been no other change worth noting.

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5......	$257,852,460	$12,794,892	$65,026,121	$32,762,779	$202,533,564	$466,987,787
Jan. 4, '68..	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69..	259,090,057	20,736,122	48.896,421	34,379,609	180,490.445	585,304,799
Jan. 3, '70..	250,406,387	31,166,908	45,034,608	34,150.887	179,129.394	399,355,375
July 4.....	276,496,503	31,611.330	56.815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71..	263,417,418	20,028,846	45.245,358	32,153,514	188,238,995	467,692,982
July 3.....	296.237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72..	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1.....	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73..	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
April 7.....	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
July 7.....	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
Sept. 1.....	288,883,000	23.095,200	44,729.300	27,281,900	220,390,300	447,799,948
Ten weeks' intermission to Bank Reports.						
Dec. 8....	252,373.500	21,158,600	38,214,000	27,186,100	182,015,300	419,721,752
Jan. 5, '74.	261,135,400	28,395,600	46,458,100	27,186,300	205,399,500	361,517,913
Feb. 2....	269,995.800	33,342,100	58,877.700	26,898,800	233,119,800	422,936,392
Mar. 2....	282,555,700	26,488,300	61,915,000	26,775,100	239,864,300	333,261,105
" 30.....	286,177.500	25,439,300	60,585.100	26.726,400	239,730,900	444,832,108
April 6.....	291,113,700	24,045,600	56,983,100	26,804,600	237,491,400	431.323,311
" 13.....	293,666,300	23,835,400	55,573,800	26,797,800	238,691,700	427,751,038
" 20.....	293,464,700	23,213,600	55,163,900	26,840,300	238,838,900	500,297,393

The rates for gold have ranged from 112.25 to 114 during the month, the latter quotation being distinctly marked as the effect on the market, of the passage of the senate currency bill.

The loan rates have been very easy during the past month, ranging as low as 3 per cent., while bank rates are maintained at or near the legal limit of 7 per cent. There is really no significance whatever in the street quotations, beyond the street itself. For commercial business, the bank rates remain undisturbed, while for stock operations they are nominal. A heavy

banking house or a bank, finds at 2 P. M. that it has on hand a surplus of a million, more or less, and rather than lose the interest for a day, it loans at any rate that is offered. A merchant never borrows on such terms.

The banks of Philadelphia show little change from week to week. There has been a loss of reserve of one million since last month. With this exception there is nothing worthy of special remark.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868...	$ 52,002,304	$ 235,912	$ 16,782,432	$ 10,639,000	$ 36,621,274
" 4, 1869...	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870...	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871...	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872...	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, " ...	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873...	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, " ...	57,062,437	352,775	10,599,532	11,370,253	42,120,451
April 7, " ...	57,075,617	130,936	9,663,471	11,475,119	40,124,310
July 7, " ...	60,480,403	322,626	14,513,757	11,431,847	48,200,545
Sept. 1, " ...	59,317,093	208,580	13,348,119	11,454,680	45,089,892
Nov. 24, " ...	58,194,000	959,000	14,741,000	11,519,000	45,847,000
Jan. 5, 1874...	57,772,523	1,173,796	15,353,571	11,481,558	48,378,204
Feb. 2, " ...	57,170,073	1,002,109	17,530,254	11,450,353	48,618,062
Mar. 2, " ...	57,021,443	736,417	17,372,230	11,449,506	47,131,169
" 30, " ...	59,374,945	617,500	17,139,983	11,498,284	47,841,126
April 6, " ...	60,298,626	551,936	15,528,478	11,522,121	47,411,234
" 13, " ...	60,229,606	526,618	15,809,219	11,489,866	48,101,337
" 20, " ...	60,008,777	548,208	16,164,714	11,509,989	47,615,243

The returns below of the Boston banks show an increase in deposits. The fifty-one banks have a combined capital of $ 50,040,000.

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868.....	$ 94,969,249	$ 1,466,246	$ 15,543,169	$ 24,626,559	$ 40,856,022
Jan. 4, 1869.....	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870.....	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871.....	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3..........	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872.....	115,878,481	4,469,483	9,602,748	25,715,976	46,994,488
July 8..........	112,164,800	2,740,100	9,471,800	24,877,000	48,875,500

The deposits after this date include the amount due to other banks.

Jan. 6, 1873.....	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
April 7..........	120,001,600	922,600	8,939,300	25,519,400	64,623,200
July 7..........	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
Sept. 1..........	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Nov. 3..........	119,788,400	1,849,400	9,045,400	26,139,100	59,399,200
Jan. 5, 1874.....	124,287,100	3,513,800	10,466,300	25,791,600	70,219,200
Feb. 2..........	125,276,300	4,244,300	11,244,400	26,641,900	73,374,100
March 2...... ...	126,491,900	3,481,600	10,904,000	25,567,600	75,969,000
" 30........	126,639,900	2,775,500	11,131,200	25,413,800	76,458,000
April 6..........	127,896,700	3,123,600	10,564,100	25,460,300	79,330,200
" 13..........	127,400,600	2,874,600	9,811,100	25,490,300	79,371,200
" 20..........	126,967,900	3,016,900	9,755,200	25,524,000	78,197,200

Rumors of the retirement of Mr. Richardson from the Treasury Department, continue to be circulated, but as yet with no definite authority. There appears to be an accumulative opinion that he will go, or must go, and a kind of compulsory sentiment is created, that no man of ordinary nerve could calmly bear. The last *on dit* is, that he is to be transferred to a foreign mission, and that the Senate is in the temper which will closely scrutinize a new man. This is right, but it would be still better, if we could have a proper board of scrutiny to cross-examine the Senate.

Foreign exchange is held at higher rates than iu March. Leading bankers ask $4.86½ for 60 days' sterling bills, and $4.89½ at short sight. We quote: Bills at 60 days on London, 4.83 *a* 4.85 for commercial; 4.85½ *a* 4.86½ for bankers'; do. at short sight, 4.88½ *a* 4.89½; cable transfers on London, $4.90 *a* $4.90½; Paris at 60 days, 5.23⅛ *a* 5.17½; do. at short sight, 5.13¾ *a* 5.12½; Antwerp, 5.23¾ *a* 5.18¾; Swiss, 5.23¾ *a* 5.18¾; Hamburg and Bremen, 4 Reichsmark, 94⅞ *a* 95⅝; Amsterdam, 40⅜ *a* 40⅞; Frankfort, 40⅝ *a* 41⅛; Prussian thalers, 71 *a* 71¾. We annex comparative rates for four months:

Sixty days Bills.	*Jan.* 21.	*Feb.* 24.	*Mar.* 24.	*April* 24.
On London, bankers'....	4.82 *a* 4.83	4.82 *a* 4.83½	4.84 *a* 4.85	4.85½ *a* 4.86½
" commercial..	4.80 *a* 4.82	4.84 *a* 4.85	4.82 *a* 4.83	4.83 *a* 4.85
Paris, francs, p. dollar....	5.27½ *a* 5.21¼	5.23¾ *a* 5.17½	5.23¾ *a* 5.18¾	5.23⅛ *a* 5.17½
Amsterdam, p. guilder...	40⅛ *a* 40¾	40½ *a* 41	40⅜ *a* 40¾	40⅜ *a* 40⅞
Frankfort, p. florin.......	41⅝ *a* 41⅛	40¾ *a* 41¼	40½ *a* 41	40⅝ *a* 41⅛
Hamburg, p. 4 R'mark...	95 *a* 95¾	95 *a* 95⅞	95 *a* 95⅝	94⅞ *a* 95⅝
Prussian thalers.........	71 *a* 71⅜	71¼ *a* 72	71¼ *a* 71¾	71 *a* 71¾

The Bank of France is increasing its reserve of coin, with great diligence and success, being determined that specie payment shall be resumed in full with as little delay as possible. This may be in memory of the old Napoleon, who said once gravely, to his astonished auditors: "Gentlemen, in order to finish a thing you must commence it." Messrs. Congressmen, do you understand this sort of logic?

DEATHS.

In NORTHAMPTON, MASS., on Sunday, March 15th, aged ninety-four years, ELIPHALET WILLIAMS, President of the NORTHAMPTON NATIONAL BANK.

In NEW BRUNSWICK, N. J., JOHN B. HILL, President of the NATIONAL BANK OF NEW JERSEY, at that place.

In BATH, STEUBEN COUNTY, N. Y., February 24th, aged seventy-six years, CONSTANT COOK, banker, of that place.

In BAYONNE, NEW JERSEY, February 27th, of paralysis, MOSES D. BRAMHALL, formerly President of the MECHANICS & TRADERS' BANK, Jersey City.

In BOSTON, Sunday, March 29th, aged seventy-three years, BENJAMIN TYLER REED, formerly President of the SHAWMUT NATIONAL BANK of that city.

In DELHI, N. Y., on Thursday, February 26th, CHARLES MARVINE, President of the DELAWARE NATIONAL BANK, of Delhi, Delaware County, N. Y.

At CHURCH HILL, O., suddenly, on Friday, April 3d, of apoplexy, aged sixty-nine years, R. H. WALKER, President of GIRARD SAVINGS BANK, Girard, O., and senior member of the banking house of WALKER, LESLIE & Co., Church Hill.

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THE MEANING, CAUSES, AND MEASURE OF VALUE.

By Albert S. Bolles.

I. On the Meaning and Causes of Value.

The saying is reported of Prodicus, the master of Socrates, that "a right use of words is the beginning of knowledge." Yet words rightly used are very imperfect signs to express ideas. The same words, phrases, and sentences convey dissimilar notions to different persons and there is no way of overcoming the difficulty.

Words are absolutely necessary for the conveyance of ideas, and a definition is nothing more than a combination of them. However imperfect, therefore, definitions may be, no progress in the acquisition of knowledge can be made without them.

Acting upon the principle enunciated by Prodicus, the Greek school of sophists, led principally by himself, Protagoras, and Hippias, devoted themselves to the study of words with great assiduity, and the flowering of this impulse is found in the works of Aristotle, whose terminology is exceedingly clear.* Great attention was paid to this subject till the time of Descartes, who went to the other extreme and declared that words had no fixed meaning at all.†

* See *Grant's Aristotle*, vol. 1, pp. 81-9. † *Hallam, Lit. of Europe*, vol. 1, 101.

A complete dictionary would comprise the sum total of human knowledge. Such a work is like a great field, each word answering to a lot, and the entire number of lots comprising the whole field. Now, as additional fences may be built, or old ones pulled down, so that the lots may become smaller or larger, words may be defined as having a narrower or wider meaning. Indeed, one might continue to widen the meaning of a word till the whole circle of human knowledge was embraced within it.

Let the reader think this subject over carefully and he cannot fail to reach the conclusion that a definition is an elastic thing, stretched by one and contracted by another—an arbitrary proceeding which cannot be changed. The most that can be said for the definition of a thing is, that more persons will define or describe it in one particular way; it is the number and quality of noses assenting to a given definition which render it more authoritative than another; but there is no test by which a definition can be declared true, whatever be the authority assenting to it. Yet the farmer must fence his land to indicate where it is, so words must be defined, bounded, to give them any significance.

As value is the root-term of economic science, it is necessary to define the meaning in which it is to be used. Whether corresponding to the meaning given by others or not, such a course is necessary in order to make any progress with the several topics we propose to consider. Were this not done, we should be as completely lost as a ship at sea upon a starless night, without compass or guide to point the way.

Although the term "value" plays a most conspicuous part in political economy, yet many economic writers have neglected to define it carefully, as though the term were of little importance. In consequence of this neglect, they have greatly multiplied the errors to be found in this department of study, which were numerous enough before.

At the outset, we remark that value is not a quality inhering in any object whatever. This truth will appear very clearly from Professor PERRY's illustration. "If I take up a new lead-pencil from my table, for the purpose of examining all its qualities, I shall immediately perceive those which are visible and tangible. The pencil has length, a cylindrical form, a black color, is hard to the touch, is composed of wood and plumbago in certain relations to each other, and has the quality, when sharpened at the end, of making black marks upon white paper. These qualities, and such as these, may be learned by a study of the pencil itself. But can I learn, by a study of the pencil itself, the *value* of the pencil? Is value a quality? By any examination of its mechanical, or by any analysis of its chemical, properties, can I detect how much the pencil is *worth?* No. The questioning of the senses, however minute, the test of the laboratory, however delicate, applied to the pencil alone can never determine how much it is worth."*

* *Elements of Polit. Econ.*, p. 46.

Value, then, is not a quality of a thing. It can never be found in any object. The mistakes of economists who have not kept this truth clearly in view have been most deplorable.

Before going further towards finding out the meaning of value, let us stop to define utility. This is the capacity of an object to satisfy the desire of its possessor. But the utility here meant is not "that utility which is determined by reason and measured by a philosophical standard."* If an object has capacity to satisfy the desire of its possessor, however strong or weak, however depraved or elevated the desire may be, that object has utility. In this sense of the word, which is the etymological one, ardent spirits have utility the same as wheat. An obscene book, so long as it satisfies desire, has utility,—like the Bible which satisfies the longing of many a soul. The same thing may have no utility to one man, a low utility to another, and a very high utility to a third. That is, it has no capacity to satisfy the desire of the first, a slight capacity to satisfy the desire of the second, but a very high capacity to satisfy the desire of the other.†

Utility must be carefully distinguished from exchangeability. Utility is the capacity of an object to satisfy the desire of its owner; exchangeability is the capacity of an object to satisfy the desire of one not the owner, combined, also, with his ability to purchase it. Hence, an object may have utility even though no one besides the owner ever hears of its existence; an object never has exchangeability unless known to and desired by another.

An article may possess both exchangeability and utility. This is often the case. Thus gold is exchangeable, for it may be desired by another; and also useful, for the owner may wear it as ornament or otherwise, or manufacture it into watches, jewelry, and the like. Having cleared up the meaning of these terms, let us proceed on our way towards defining value.

When Robinson Crusoe recovered from his shipwreck, he found that he was the sole owner and occupant of a comfortable and fertile island. There was abundance for food and clothing; he easily provided himself with a house for shelter and habitation. Yet all these possessions had no value. They had utility, for they could satisfy his wants. Indeed, they were quite as useful to him as if he and they had been in England. Their utility was great, their value nothing; why did they not have value? The presence of some other person was necessary having exchangeable objects, and wanting also some of Crusoe's things; and further, an exchange must have actually taken place before the commodities of either person could have had any value. If people living in the same community, and owning different commodities, never exchanged them with each other, such commodities would have no value. Commodities cannot have value unless their owners exchange them with one another for those things which they desire, but have not. Consequently, Crusoe's possessions had

* Bowen, *Am. Polit. Econ.*, p. 72. † See *Perry's El. of Polit. Econ.*, p. 72.

no value, because he owned everything and was alone. If another person had lived there, having various things CRUSOE wanted, and which could have been obtained by exchanging a part of his own for them, then the values of the several commodities exchanged could have been ascertained. Hence we find that the value of a commodity is an estimate agreed to between the person parting with and the person receiving it.

In what words or terms is this estimate or value expressed? A has a hat and B a pair of shoes. Each wishes to exchange his product for that of the other. After considerable discussion, in which A declares that he ought to have more than the shoes for his hat, it is agreed that each shall exchange his product for that of the other. The value of the hat, therefore, is expressed by the shoes; thus the hat is said to be worth the pair of shoes; and, likewise, the shoes are worth the hat. The value of each product is expressed by the other. Thus, our conception of value is now complete, and may be expressed in the following manner: Value is the estimate agreed to between the person parting with, and the person receiving a commodity, expressed in some other commodity that is exchanged for it.*

This definition of value will be easily apprehended. It will be seen that value does not reside in a commodity; it is an estimate or affection of the mind. It is not an estimate made by one person, however, but by two or more—by all the parties owning the several articles that are exchanged. Nor is an estimate ever the value of anything unless an exchange actually takes place.

Hence, an *ex parte* estimate, i. e., the estimate of one person, or the estimates of persons who are not the owners, can never be considered as the value of anything. True, we can tell what the value of a commodity was at the time of the last exchange, as expressed in the commodity exchanged for it. We can tell what it probably will exchange for at some future time. And this is our meaning when we say that a commodity is worth a certain sum or thing. We mean that it was exchanged for some other thing, or can be exchanged for it at some future time. So the merchant, conscious of this truth, can calculate with a reasonable degree of certainty upon the wants of his customers, and what he can probably get for his goods. And because the values or estimates men put upon things undergo but little change they can buy and sell, and engage in commerce in the most distant parts of the earth. Yet how often men fail to discern the varying and capricious values or estimates that will be put upon things, is a matter ot common experience.

MACLEOD has done much to clear up the meaning of value, yet he has made some mistakes. Thus, he says that, "however much a person may wish to sell any product of his own, yet, if no one will buy it, it has no value. If an exchange takes place, it can

* When one commodity is exchanged for another, each measures the value of the other.—*J. R. McCulloch, Encyc. Brit., Art. Money.*

only do so from the reciprocal desire of each for the product of the other. Hence, it is clear that *value necessarily requires the concurrence of two minds*."* It is a little singular, however, that he should have written the following sentence just before those quoted: "We may observe that since a thing which cannot be exchanged has no value, the value of anything depends not upon the person who offers it for sale, but upon the desire of the purchaser."

Is not this equivalent to saying that the value of a thing depends upon the desire of the purchaser? And is not this statement directly opposed to the one previously quoted, namely, "that value necessarily requires the concurrence of two minds, ... and that if an exchange takes place, it can only do so from the reciprocal desire of each for the product of the other"? Before an exchange can take place, there must be a meeting of minds; which person has the strongest desire to exchange is often difficult to tell, for each generally tries to conceal his desires in part, at least, in the hope of making a better exchange. Suppose the purchaser is in great want of bread, and the seller knows it, will not the latter use his information to increase the value or estimate of his bread? Or suppose a dealer has some article on hand like perishable fruit, which he is very desirous to dispose of, will not the purchaser often use his knowledge to reduce the value of the fruit? Consequently, the statement is a mistake that "the value of anything depends, not upon the person who offers it for sale, but upon the desire of the purchaser." It depends upon the desires of both; which of them has the strongest or weakest desire cannot easily be told.

An invariable standard of value is impossible. For, supposing that the values of two commodities have changed relatively to each other since a former exchange, in which commodity has the change taken place? Thus, suppose a bushel of wheat was exchanged for a dollar of gold last year, and that two bushels must be given for a dollar this. Has the gold risen in value or that of the wheat declined? It is no nearer the truth to say that the wheat has declined than that the gold has risen. Suppose that ten commodities have each been exchanged for the same amount of gold for a hundred years. This year, however, one of them, sugar, for example, is exchanged for twice as much gold as ever before. Has sugar, therefore, risen in value, or has the value of gold declined? Put any examples you like, it will always be found that value is a relative expression, and, consequently, that no object can ever have a greater or less value than that with which it is compared and exchanged. Professor FAWCETT has stated this truth correctly; "When the general value of a commodity declines, less of every commodity can be obtained for it in exchange; but if this be so, the value of all these commodities must rise, when compared with the particular commodity in the value of which it has been supposed a general decline has taken place. These considerations

* *Theory and Practice of Banking*, vol. 1, p. 14.

demonstrate the erroneous nature of a statement not unfrequently made, that there is a general rise or fall in the value of all commodities. . . . . It is quite impossible that there should be a general rise of values, for if there is a rise in the value of one commodity, there must be a fall in the value of all the commodities with which this one is compared."* The works of ADAM SMITH and RICARDO are badly infected with error in consequence of their failure to see this truth. Both sought after an invariable standard of value, which every living political economist admits cannot be found.

Before quitting this branch of our subject we may define the meaning of price. It is the value of a commodity expressed in money. Thus BASCOM says that "the price of anything is its power to command gold, silver, or that which constitutes the currency of the country. Value may be expressed in any commodity whatever: price is expressed in one commodity only."†

We are now ready to consider the causes of value. What are the causes leading men to agree to the values of articles bought and sold?

It has been the custom among political economists to treat of the causes of value instead of those of price, yet as exchanges in all civilized countries are generally expressed in money, our investigation will be simplified if we consider the causes of price rather than those of value. In so doing, this assumption is involved, which must be kept in view, that when the price of a commodity varies, the variation is always supposed to be produced by something which affects the value of the commodity, and not the value of money. Let us explain our meaning by an illustration. Suppose it is observed that the price of wheat rises; this rise in the price of wheat may be due to two very distinct causes. In the one case wheat may become scarcer, and therefore dearer; in the other case, wheat, in common with every other commodity, may rise in price, in consequence of new discoveries of the precious metals, such as those made in AUSTRALIA and CALIFORNIA during the last few years. In the following investigation, the assumption is made that variations in price are not caused by an alteration in the value of money.

What, then, are the causes of price? They are four, namely, difficulty of attainment, exchangeability, personal effort, and willingness of deprivation.

By difficulty of attainment is meant the labor or other difficulty inhering in, or connected with, a commodity which a person who is not the owner desires, and which he had rather buy than perform the labor of attaining directly himself. Hence, if an object having capacity to satisfy the desire of another cannot be had without difficulty, it is valuable, provided the person desiring it be of sufficient ability to pay for it. But if a commodity has no capacity to satisfy the desire of another, or if, having a capacity, the

* *Manual of Polit. Econ.* p. 270. † *Polit. Econ.*, p. 222.

commodity can be had without difficulty, it has no value. A man living in the country may suddenly find the waters of his well dried up. To him, therefore, water has become exchangeable. Yet it may have no value because he can get it of his neighbor by a very slight personal effort. He goes to the city to live. Here he wants water as before, but he finds that he cannot get it, by simply going to his neighbor's well. He cannot get it by direct personal effort without going a considerable distance beyond the city. Rather than go so far, he is willing to pay some one for it in order to have it. Consequently the water paid for has value, because it could not be had without an effort,—without difficulty of attainment,—which the person had rather pay for than make directly himself.

Whenever an exchange actually takes place, price expresses or measures this difficulty. If I pay seventy-five dollars for a watch, the money expresses or represents the difficulty of attaining it,—in other words, the labor expended in making it; I had rather pay this money for the labor of another than make the watch myself. Whenever an exchange does not take place, difficulty of attainment is only another expression for the labor enhancing the exchangeability of an object. Yet labor does not always render an object more exchangeable. A man may build a house in the wilderness at vast expense, nevertheless it may have no exchangeability, because no one has such tastes and desires as the builder.

It is most important to remember when difficulty of attainment is used as an equivalent or measure of price, and when it is used as expressing simply the labor bestowed upon an object.

The second cause determining price is exchangeability. This we have previously defined as the capacity of an object to satisfy the desire of one who is not the owner. Now it is evident that whenever the desires of men change, the capacity of things to satisfy their desires changes also. Moreover, it is exceedingly difficult, indeed it is impossible, to find out all the causes which create and influence the desires of men. The causes are varied, often occult, unknown.

To A, a fine picture is worth \$ 5,000; to B, not half that sum. Various reasons may be given for the different estimates of the picture. A perhaps, has a finer taste for art, or appreciation of the particular picture. He may think it will become more valuable with age, or that the genius of the artist will become more fully recognized in the future. The causes operating upon desires are too obscure often to be determined.

The paradoxical proposition has found defenders, that not only does price depend upon exchangeability, but that exchangeability depends upon price. This paradox does not, we think, exist; nor would it ever have been declared true, if the distinction between difficulty of attainment as an equivalent of price and as another expression for labor had been kept in view. Suppose a man is trying to find a house, with the intention of purchasing. After

looking at several houses, he finds such an one as he wants. It is an expensive place; the grounds are laid out with great care and skill. It is the taste and labor displayed about the place that render it so exchangeable. Satisfied that it is the place he wants, he inquires the price. He has never thought of the price the owner would ask till now. Suppose the owner is unwilling to sell the house except at an enormous price which the other is unwilling to pay. The purchaser has the means to buy, but he is unwilling to pay so much. Perhaps he thinks the owner is trying to drive a sharp bargain with him. He turns away disappointed; afterwards he learns that the owner is willing to sell at a greatly reduced price. He purchases the house. Yet during all the time between the first examination of the house and the purchase of it, its exchangeability was unchanged. Hence it is clear that the exchangeability of objects is not affected by their price; but whether *exchanges actually take place or not*, these depend upon the price of the things exchanged. Take peaches, for example. When they are first brought to market, many say: "We will not buy now, we will wait till the price is lower." They want them in the beginning just as much as afterwards, perhaps more. Their exchangeability is the same from the first to the last of the peach season; though not many exchanges are made till prices fall to a certain point.

There are many rocks unseen when the waters are high, that appear when the waters recede. Yet the rocks are there, whether the waters are high or low. So with our desires. They are as real when prices are so high that no exchanges are made, as when prices are low and exchanges frequent. The only difference is, that when the prices of things rise above a certain point, the desires of men for them are unknown to the world; when prices fall below a certain point, the desires of men are found out through their efforts to gratify them.

There is one class of commodities, the exchangeability of which depends *primarily* upon their value. Remembering that utility is the capacity of an object to satisfy the desire of its possessor, we remark that some commodities have utility solely on account of their value. Thus a diamond is useful at the present time because it has capacity to satisfy desire. Let diamonds become plentiful, however, and not only would their value vanish, but their utility also. Nobody would want them. Now it may be properly said that those articles which are useful simply because they are valuable are only exchangeable for a like reason. But all other commodities are exchangeable because of the labor or other difficulty connected with them. This is the cause which renders them exchangeable. Yet the value of the diamond, so long as it has any, is measured or estimated by difficulty of attainment like other commodities.*

* This was the assertion really made by Bastiat in his *Harmonies of Political Economy*, and which Professor Cairnes has attacked. *Fort. Rev.*, vol. xiv, p. 424. But the error into which we think the latter has fallen is in considering the difficulty of attainment paid for as the difficulty expended by the finder of the diamond. This is only a partial consideration of the whole

A third cause determining price is personal effort. This is one of the causes fixing the extremes of price. Thus suppose a purchaser is seeking for a chair. He goes into a store, and finding one that he likes, inquires the price. Being told that it is ten dollars, he remarks that he will not give so much, and that if the dealer will not sell it for nine dollars, he will make one himself. Personal effort, therefore, is the cause that fixes the highest price for the chair. As it is a cause determining the highest price of things, so likewise does it determine the lowest.

What do we mean by the highest and lowest price of a commodity? The first term is easily enough understood. The highest price is the most which a purchaser will pay for a thing. What is meant by the lowest price? The least that the dealer actually will sell for, and at which he must sell, else the purchaser will obtain the thing desired by a direct personal effort.

Willingness of deprivation is the fourth and last cause determining price. When vulcanized rubber goods were first made, they constituted a monopoly as long as the patent existed, so that no one could make them except the patentee and those whom he permitted. A, the purchaser, desires a pair of boots, but B, the monopolist, will not sell them for less than ten dollars. A's unwillingness to be without the boots leads him to give this price. But he would give no more. Either he would get them by personal effort (supposing that he could make them), or he would deprive himself of them rather than buy at a higher price. Thus we see that A's personal effort, or willingness of deprivation, determined the highest price which he would pay for the boots. The same causes may determine their lowest price. The monopoly has expired. A wishes another pair. Now he tells B that he will not give him only four dollars a pair. Why not? Why is he willing to deprive himself of them if he cannot purchase at that price? Because he believes he can buy elsewhere for the price offered. Willingness of deprivation, therefore, is a cause determining price, for no exchange can take place unless the price comes within the limits which men will pay.

Moreover, willingness of deprivation cannot be resolved into any other cause of price. It is easily distinguished from exchangeability, for that quality may, as we have seen, inhere in an object after willingness of deprivation has prevented a transfer of the ownership thereof.

Let us now inquire when the highest and lowest prices are paid for things; and, also, what is the reasonable price towards which all things are tending.

First, whenever a commodity constitutes a monopoly, then the highest price is paid for it.

Secondly, whenever the supply of a commodity is unlimited,—

fact. The price paid for the diamond measures the difficulty of attainment which the purchaser had rather pay for than undertake himself. That is to say, the difficulty actually paid for is the one which the purchaser himself would probably have to overcome in order to find the diamond.

that is, when it can be produced without increase of cost,—then the lowest price is paid for it.

Thirdly, the reasonable price of a commodity is the cost of production, by which is meant the money paid for labor, material, etc., together with a reasonable sum for profits.

Let us test the correctness of these principles by applying them to actual exchanges.

Formerly, the screw part of the metal screw had a flat end, so that a hole had to be made in the wood previous to the insertion of the screw. In 1846, a screw was invented having a point like a gimlet, which could be inserted into pine and other soft woods, such as are most commonly used, without first making a hole. The great advantage of using this screw will be readily seen. It always fitted the wood snugly, and held the pieces secured by it firmly together, while it could be put in more quickly than the old-fashioned screw. Thus it had a greater utility, and likewise a greater exchangeability, than the other. Being a new and useful invention, the patentee had the exclusive right of making it for the succeeding eighteen years. By agreement with the patentee, a company was organized that began the manufacture and sale of these screws. The company fixed a price at which they were sold, which was not altered very much during the whole time the company had the exclusive right of making them. This company alone could make them, and they were not obliged to manufacture any at all; or, if they were, they could dictate the purchase price. Hence, it was in their power to sell at the very highest price people would pay rather than go without. They could fix a price so high that no one would buy them; they could lower it so that only a few would buy, or they could diminish it so low that many would purchase. The price, however, the company sought to fix was the highest price at which the screw would be generally sold in the place of the old-fashioned one. It was a comparatively easy matter to determine this, for they could tell by observation and inquiry whether these screws were used in the place of the old ones, and whether they were used where they should be, instead of something else in their place. And as the screws came into general use soon after their manufacture began, it was evident that the company had set as low a price as was necessary, in order to make extensive sales.

It is not always easy for the monopolist, in the beginning, to ascertain what is the highest price he can set upon his monopoly in order to reap the largest profit therefrom. For, be it remembered, the monopolist does not always seek to set a price at which the largest quantity can be sold, even though he should get a reasonable or great profit from his sales; but rather the highest price at which the largest quantity will be sold, and the greatest aggregate profits realized during the time he has the exclusive right of controlling his monopoly. Thus suppose the monopoly consists of the right to make and sell rubber goods. At first rubber

boots are sold at eight dollars a pair. We will suppose that half of this sum is profit. Thinking that the sales will be largely increased by a reduction of price, the boots are afterwards sold for six dollars a pair. More purchasers are found at the latter price than at the former, but as the profits have been reduced one-half it is now necessary to sell twice as many goods as before, else the aggregate profits are diminished by the reduction of price. If, therefore, it is found upon trial that a diminution of price does not bring as large aggregate profits as the former price, then a higher price is set upon the goods. And as the monopolist can control the price of his monopoly, whatever it may consist of, so can he coldly squeeze out of men by trial the highest price they will pay for his things rather that not have them, without fear of losing his trade, or of being undersold, for there is no one to compete with him. This trial of the market in order to ascertain the best price at which goods can be sold, has been aptly termed by ADAM SMITH the "higgling and bargaining of the market."

We might have given a simpler illustration, showing how the monopolist can control the highest price of his monopoly. We will suppose him to be the owner of a fine picture by a celebrated master. It is the only one of the kind the master has ever produced. The owner offers it for sale at the highest price which he thinks any one is willing to pay. Suppose the price to be ten thousand dollars. A dozen men offer five, three offer seven, two offer eight, and one offers nine, thousand dollars for the picture. This is the highest price offered, and at which the owner must sell, if he sells at all. Having a monopoly, therefore, he is so situated that he can draw out the desires of men without losing his picture, and, consequently, can get the very highest price any one is willing to give.

Another form of monopoly may be mentioned, namely, distance from another market. Let us illustrate the character of this monopoly. On the line of the Chicago and St. Louis railroad lives a miller, who, at one time, sold a portion of his flour to his neighbors for eight dollars a barrel, and sent the rest to St. Louis, which, after payment of ten cents per barrel for freight, he sold for seven dollars. Hence, he received one dollar and ten cents more upon every barrel sold at home than upon each one sent to St. Louis. Yet it was cheaper for his neighbors to pay him eight dollars than go to St. Louis and buy the flour for six dollars and ninety cents a barrel.

The extent of this monopoly may be easily enough ascertained. It is the difference between the merchant's time and expense of traveling to the market where the things are bought, and the time and expense of his customer. Thus, suppose that the expense of doing a retail business in New York and Chicago is the same, and that the merchants at both places intend to sell so as to clear the same net profits. The New York merchant buys a certain kind of silk of an importer and sells the same for three

dollars a yard. Now, supposing that the Chicago merchant was amply repaid for the cost of transportation, traveling, etc., if he sold the same silk at three dollars and twenty-five cents per yard, yet if he actually sells it for three dollars and fifty cents a yard, the additional twenty-five cents in price is a monopoly which he enjoys in consequence of being so far away from the New York market.

The same principle may also be illustrated in the case of several kinds of labor. A noted artist is a monopolist. He may charge the highest price, and people will readily pay. So with a distinguished lawyer and physician. A WEBSTER or MOTT has the field to himself; he can make his own prices. So with some other men. But in proportion to the number of men exercising the same calling, and having the same skill, does the monopoly decline. Whenever labor constitutes a monopoly, its price is controlled by the laborer.

From what we have said, we think the reason clearly appears why every dealer seeks, so far as he can, to make the thing he sells a monopoly. For if he succeeds, he can get the highest price for it; while if he does not succeed, he can get only the lowest price, that is, a price which, if raised at all, the purchaser will not pay; for either he will acquire the thing by personal effort or obtain it from some other dealer. Let us restate this idea in other language. The dealer, if he be a monopolist, can get the difference between the lowest and highest price which a purchaser will pay for a thing; if he be not a monopolist, the purchaser saves the difference for himself. Is it strange, therefore, that every dealer should try to become a monopolist, seeing that he has this advantage, that he can get the highest price which the purchaser will pay for his monopoly? So we find all sorts of combinations among men in order to make monopolies out of their trades, products, and professions. This is especially noticeable of late among railways. They combine for various reasons; a prominent one being to control the price for carrying freight and passengers. And just here, in illustration of what we are saying, may be mentioned a monopoly enjoyed by Commodore VANDERBILT and his friends when the Erie Canal is closed. This is the only avenue for transportation between various places, except the New York Central Railroad. When, therefore, communication by way of the canal is stopped on account of ice, the owners of the railway have a monopoly, which they enjoy to the fullest extent. Mr. MILL gives a very interesting illustration of the way in which a monopoly was created. The Dutch East India Company at one time owned the Spice Islands, and could control the quantity of produce raised. In consequence of being able to limit the quantity, they "obtained a monopoly price for the produce" sold. "But to do so they were obliged, in good seasons, to destroy a portion of the crops. Had they persisted in selling all that they produced, they must have forced a market by reducing the price, so low, perhaps, that they would have re-

ceived for the larger quantity a less total return than for the smaller; at least they showed that such was their opinion by destroying their surplus."*

We cannot stop longer to point out other forms of monopoly; some of them will come to light in connection with other parts of our subject. Besides, whether an article constitutes a monopoly or not, or whether men are seeking to make a monopoly of a particular thing or not, can generally be determined by slight observation. But this is true, that whenever a monopoly exists, whatever it may consist of, the monopolist, to the extent of his monopoly, can get the highest price for his commodities.

Let us take up the second principle, and test its correctness by applying it to other exchanges. Take the case of common cotton goods. They can be manufactured to an almost indefinite amount without increase of cost. But there is no monopolist to squeeze out the highest price which the purchaser will pay rather than go without them. In the case of the screws, the monopolist could get the highest price for them because he could control the quantity. He had one end of the string, and that the most important one, which no man could take away. Now, the situation is reversed. The purchaser can buy at the lowest price. If the dealer charged any more, the purchaser would go away with the expectation of purchasing of some one else.

And now the light breaks forth to clear up the darkness created by the monopolist. As his selfishness leads him to accumulate the largest aggregate profits from his monopoly, so do these high profits, by exciting the selfishness of other men, draw them into the production of the same things whenever it is possible. Thus, it often happens that if a business is exceedingly profitable, others will press into it until production becomes so great that the cost of producing will not be realized. One illustration will suffice. So long as the patent for making vulcanized rubber goods was in force, the owners of it realized great profits therefrom. Upon the death of the patent, so many rushed into the same business that the succeeding gains of the monopolist melted quickly away. So is it ever with monopolies. The selfishness of men which inspires them to create monopolies is counteracted by the selfishness of others, bringing about, sooner or later, their destruction. Hence, while one party in the industrial world is trying to build up monopolies, another party is equally zealous in tearing them down.

Having shown when the highest and the lowest price are paid for commodities, we shall take note of the reasonable price towards which all commodities are tending. This is the ultimate price which will be paid for all things. For no man will continue to produce permanently at a loss; indeed, he could not do so if he wished; as he would inevitably become a bankrupt. So Mr. MILL says: "Capitalists will not go on permanently producing at a loss. They not even go on producing at a profit less than they can

* *Princ. of Polit. Econ.*, vol. 1, p. 552.

live upon. Persons whose capital is already embarked, and cannot be easily extricated, will persevere for a considerable time without profit, and have been known to persevere even at a loss, in hopes of better times. But they will not do so indefinitely, or when there is nothing to indicate that times are likely to improve. No new capital will be invested in an employment, unless there be an expectation not only of some profit, but of a profit as great (regard being had to the degree of eligibility of the employment in other respects) as can be hoped for in any other occupation at that time and place. When such profit is evidently not to be had, if people do not actually withdraw their capital, they at least abstain from replacing it when consumed. The cost of production, together with the ordinary profit, may therefore be called the *necessary* price, or value, of all things made by labor and capital. Nobody willingly produces in the prospect of loss. Whoever does so, does it under a miscalculation, which he corrects as fast as he is able."*

Let us give one other illustration for the purpose of bringing into a single view the existence and operation of the foregoing principles. Several years ago checked woolen clothing was extensively worn, it then being fashionable. In the beginning, the quantity that could be obtained was quite limited, and as its exchangeability suddenly increased, it constituted a monopoly to a limited extent. The profit to the manufacturer being large, others began to make the same goods as soon as they could, so that the profits on them rapidly fell away to the cost of production. After a time fashion made a new decree that checks should no longer be worn. Immediately the exchangeability of the goods declined. Those who followed the decrees of fashion, if daring to trample so far upon her laws as to wear out what checked clothing they had, bought no more. True, some were unmindful of her dictates and were willing to wear checks still; to others these goods had always had a certain degree of exchangeability, and when the merchant was willing to sell at a price corresponding with their exchangeability to these purchasers, they were ready to buy. In the beginning, the manufacturer was a qualified monopolist, that is, he controlled the supply for a time, and so fixed the price; afterwards the exchangeability of the goods rapidly declined, so that the purchaser fixed the price; in the end, the quantity on hand having diminished, the final price was determined by the cost of production.

It is evident, therefore, that a reasonable price, which is the cost of production, will be the ultimate price of all things. This price will also equalize the division of gains so that no one will get more or less than he ought to have. It is beyond our space to show that the number of commodities bought and sold at a reasonable price are constantly increasing, yet the evidence of this fact is conclusive.

* *Princ. of Polit. Econ.*, vol. 1, p. 555.

The difference between the highest and the lowest price of a commodity is often modified by various causes that we may call extrinsic. Thus a man may pay more for a thing, because of his friendship to the seller, or sympathy for his condition. People will pay more for things at fairs and festivals in order to aid the objects which such associations represent. So the members of a community may trade at a particular place, even though they pay a somewhat higher price for their goods, on account of the known character of the dealer for honesty, politeness, etc. Again, the desires of a purchaser may often be veiled, so that he does not actually pay as high a price as he would, if, his mind being like a piece of glass, the dealer could see what his real desires were. The same is also true of the dealer. These are seeming, not real exceptions to the principles set forth.

Having stated when the highest and the lowest price are paid, and also what will be the ultimate price of things, it may be necessary to say something further concerning the fluctuations of price. If, for instance, the price of wheat is one dollar per bushel to-day, and one dollar and a quarter to morrow, what has produced the change? Many would say it has been produced either because the quantity to be had has diminished or the quantity desired has increased. This is not always true. Suppose that three men are each desirous of purchasing a particular horse, and that each one is willing to give one hundred dollars for it, and no more. No greater price can be obtained for the horse because there are three customers than if there were only one.* The same is true in respect to many of the transactions of life. People will give a certain sum for a particular thing, and no more; no matter whether the quantity be more or less. The reason of this in many cases is, that if things cannot be purchased at a given price, others are purchased as substitutes therefor. Consequently, if the quantity of a commodity becomes much reduced, the dealer may be obliged to sell at the old price, or no one will buy. Remembering that personal effort and willingness of deprivation always fix the extremes of price, fluctuations in price are the consequences of a change in the exchangeability of things. So long as this is unchanged, whether the article itself becomes plentiful or scarce, its price remains the same. It is true when the quantity of a commodity diminishes, its exchangeability often increases, and *vice versa*. Suppose, for illustration, that the wheat crop is only half as great this year as last, so that all cannot have their wants supplied if they remain the same as before. I say to myself: "The wheat crop is short this year, but I mean to have all that I want, whether others get all they want or not." Others say the same thing. In such a case it becomes more exchangeable, so that all are willing to pay a higher price. Take

* Mr. Thornton has succeeded in showing that the law of supply and demand, at least as generally stated, is very defective; that if it were true, prices should often rise when they do not, and *vice versa*. (*Thornton on Labor*, chap. 1). Though succeeding in this, his attempts to replace it by the law of competition, we think Mr. Mill has shown to be a failure. See review of Thornton's book by J. S. Mill, *Fort. Rev.*, vol. xi, pp. 505–518.

another example. Not long since the price of laths in the New York market had advanced a little. What was the reason of this advance? It was suddenly found that the quantity on hand was quite limited, and the dealers believed that all the laths in the market, and more, would be needed at once to finish the buildings in process of construction. The dealers took advantage of this state of things to increase the price. They became in fact qualified monopolists, that is, they sought to control the price to a certain extent. When the condition of the market was found out by the builders, they rushed to the dealers to get their wants supplied in order to complete their work. The exchangeability of the laths suddenly increased,—the builders were willing to pay more for them,—and so the dealers could get the additional price they had fixed. Suppose the builders had met together and agreed not to pay the advance, but to send elsewhere for their supplies, would the advance have continued? Certainly not; it would have sunk down till the purchases were sufficient in number and quantity to satisfy the dealers. So it will be found in every case. Personal effort and willingness of deprivation fix the extremes of price, while the variations between them are dependent upon exchangeability, which in turn is affected by many causes, the chief of which is difficulty of attainment.

II. A Measure of Value.

It is impossible, as we have seen, to find an invariable measure of value.

But a comparison of values may be made, showing what ought to be regarded as a real advance or decline in the value of a commodity. Suppose that the value of ten commodities have remained unchanged for twenty years, and after that time, one of them, wheat for example, cannot be exchanged for more than half the quantity of the other things as before. The value of wheat as measured by them, has declined in value, which decline may be regarded as a real diminution.

Although an invariable standard of value is impossible, neither is it needed for so many purposes as is generally supposed. A measure of value is not required to inventory one's possessions. Prof. Fawcet is wrong in saying that "without some such measure the amount either of a nation's or an individual's wealth could only be stated by enumerating a long catalogue of commodities. Instead of saying that a farmer is worth £9,000 we should be able to form no other estimate of his wealth, except by making an inventory of his possessions. The number of cows, horses, pigs, sheep, the quantity of corn, etc., he possessed, would all have to be separately enumerated."* Not so, for if there were no recog-

* *Man. of Polit. Econ.*, p. 301, 3d ed.

nized standard of value, he could estimate the number of bushels of wheat or pounds of iron, to which all his property is equivalent. Instead of affirming that his property was worth £9,000, he might say it was worth 100,000 bushels of wheat or ten thousand tons of iron, or something else.

A measure of value is not required in making specific exchanges. For example, two horse-jockeys meet who wish to trade horses. Do they need any measure of value in order to swap animals? Listen to their conversation. A is willing to exchange equally, but B says no; he wants something more besides A's horse. "If," says the latter, "your horse is worth $100, mine is worth $200." In other words, B regards his horse as worth twice as much as A's. It is of no consequence how much A values his horse, or by what standard he values him, B regards his horse as worth twice as much. It will be readily seen that if gold or any other measure of value had never been thought of, the valuation of the respective horses could be as easily ascertained.

A measure of value is needed to compare or register the values of all articles of merchandise for purposes of general exchange. For, if one person was comparing the value of all things by wheat, and another by gold, and another by silver, and a fourth by copper, and so on, it would be quite impossible to have any general quotation of prices. As these are necessary for the transaction of business, as well as for estimating the cost of living, a standard of value is necessary.

Another need of a measure of value is to prevent undue gain or loss by persons in making contracts. For, if the measure be a varying one and increases in value, the creditor will get too much; if the measure decreases in value, he will get too little.

In our country the unit of measure for expressing value is the dollar, which measure was established by act of Congress, April 2, 1792. This measure of value, which is a decimal one—consisting of a dollar and its fractional parts—so superior in convenience to every other measure in use, was the invention of JEFFERSON.

Although the unit of value-measure is the dollar, yet there are four different instruments expressing that unit.

The act of 1792 provided for the coinage of a SILVER dollar, of the value of a Spanish milled or pillar dollar, then current. The silver dollar was first coined in 1794, weighing 416 grains, of which 371¼ grains were pure silver, the fineness being 892.4 thousandths. The act of January 18, 1837, reduced the standard weight to 412½ grains, but increased the fineness to 900 thousandths, the quantity of pure silver remaining 371¼ grains as before. The coinage of the silver dollar has been discontinued, except as a "trade dollar" for circulation in CHINA, JAPAN, and other oriental countries.*

The act of March 3, 1849, authorized the first coinage of GOLD

* Act of Congress, 1873.

dollars. They were issued the same year. They weigh twenty-five and eight-tenths grains, are nine-tenths fine, and contain 23,22 grains of pure gold. Under this act they have been coined ever since.

In 1862, Congress authorized the issue of a PAPER dollar, commonly known as the greenback. This has become the universal measure of value in this country. As this paper dollar is worth less than a gold one, people will buy and sell by the inferior measure. This is always the case. In proof of the fact it is only necessary to state that the prices of most commodities are largely increased because of the adoption of this paper measure. When gold or its equivalent was the only measure of value, in 1859, a barrel of flour was sold for five dollars. When greenbacks were invented, in 1862, the same quality of flour sold in 1864 for ten dollars a barrel. Why this difference of price? Because in the latter case the flour is measured by greenbacks; in the former by gold. Some things are measured by the gold dollar now, the same as before the creation of legal-tender notes, especially importations, which are paid for in gold; the prices of almost everything else, however, are measured solely by paper dollars, because sellers expect to receive them in exchange for their commodities.

The last form of dollar is the BANK NOTE, which has the same value and characteristics as the legal-tender note, and the two are employed indifferently as a unit of measure.

Thus, the dollar—the unit of measure—embraces gold, silver, legal-tender- and bank-notes. If we inquire the price of anything, the answer usually is, so many dollars; or, if less than a dollar, the fractional part thereof. In store and shop, in railway car and manufactory, the price of everything is measured by dollars.

When a commodity is exchanged for a dollar, whatever may be the instrument expected in exchange, we do not have in view the receiving merely of some ideal thing, but rather of so much gold, or silver, or its equivalent. Some deny this. Says Mr. COLWELL:* "When a barrel of flour is said to be worth five dollars, the party fixing that price does not mean the quantity of gold in a half-eagle, or of silver in five dollars. . . So, if in ENGLAND an article is said to be worth fifty-five shillings, neither party forms any idea of the quantity of gold equivalent to that amount, although payment cannot be made in silver beyond forty shillings. So, during the Revolutionary war, when for many years there was only a paper circulation, prices were expressed in the various currencies of the different colonies, and very few indeed could have been guided by the quantity of gold or silver equivalent to any price expressed in their pounds, shillings, and pence.

"It is evident, therefore, that money of account is the medium in which prices are quoted and expressed in all countries. It is capable of measuring, comparing, and stating values to the utmost extent of the requirements of trade."

* *Ways and Means of Payment*, p. 79.

It is true when dollars are received and paid, we are not always thinking of the quantity of gold or silver they contain, but rather, what may be had for them. This is why it has been said that a counterfeit or base dollar performs equally well the offices of a good one, so long as no one knows that it is bad. Still, in receiving metallic dollars, we do not forget about their weight and purity. The reason why we do not always weigh them is that, from long experience, we find they are generally as heavy and as pure as the law requires. Let their debasement begin, either by the admixture of foreign metal, or by diminution in their legal quantity of gold or silver, and not a metallic dollar would be received without first being weighed. The same is true of paper dollars. As long as their future redemption is certain, they are readily received without thinking about the quantity of gold and silver that may be had for them; let their redemption become uncertain, and people will be disinclined to receive them, either in exchange for commodities, or in payment of debts. Their value diminishes, perhaps ceases.

It is true that an ideal money has been used by some people. The famous illustration of MONTESQUIEU is always brought to the front by those maintaining the theory of an actual or possible ideal measure of value. The author of the *Spirit of Laws** observed that the blacks on the coast of AFRICA have a sign of value without money, purely ideal. A certain article is worth three macutes, another six, another ten macutes. This is the same as if they said simply three, six, ten. Dr. LIEBER once stated in an address before the Historical Society of New York, that "in Hamburg millions are exchanged in the name of the mark banco, but no such coin exists, nor is there any native coin of that commercial city—though, of course, foreign coins are in use." BARTH,† in his *Travels and Discoveries in North and Central Africa*, writes of a people who have "not at present any standard of money for buying and selling; for the ancient standard of the country, namely, the pound of copper has long since fallen into disuse, though the name 'rotl,' still remains. The 'gabaga,' or cotton strips which then became usual, have lately begun to be supplanted by the 'cowries' or 'kungona'. . . . Eight cowries or kungona are reckoned equal to one gabaga, and four gabaga, or two and thirty kungona, to one rotl." Here an ideal measure of value has survived the use of the real measure.

It is not true, however, that the dollar—our money of account—is ideal money, as Mr. COLWELL maintains, for we are thinking of its weight and purity whenever we receive it, or, if we receive a paper dollar, of its ultimate redemption in the precious metals. We admit that we are slowly approaching towards the use of ideal money in consequence of divorcing in thought the quantity of gold contained in the dollar from the dollar as a thing of pure imagin-

* Vol. 2, p. 59, new Am. ed.
† Vol. 2, p. 55.

ation. It is possible to have an ideal money.* The foregoing extract from BARTH proves this. That the time is not yet, nor soon will be, when our money will become purely ideal, is not worth time and space to refute.

Only one measure of value ought to exist in a State. For, the having of a second one is a source of confusion and loss. This has been clearly maintained by nearly all economic writers. Said Sir WILLIAM PETTY, as early as the seventeenth century, in alluding to the use of gold and silver as standards: "The relative value of gold and silver is modified according as human industry extracts more of one than of the other from the bowels of the earth. Consequently only one at a time should be used as money." And likewise LOCKE† has written that, "two metals, as gold and silver, cannot be the measure of commerce both together in any country: because the measure of commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. . . One may as well make a measure, for example a yard, whose parts lengthen and shrink, as a measure of trade, of materials that have not always a settled, invariable, value to one another." MORAN and PATTERSON‡ are the only writers of late holding opposite views. They contend that if two or more things are used as standards of value, it is within the power of the government to declare what each is worth, so that no difficulty will arise from their use. This may be admitted, but the very instances MORAN§ has given of neglect and incompetence on the part of the government, prove quite conclusively that it should not be intrusted with such a delicate duty. So long as one is sufficient for our purposes there is no necessity for having more.

The experience of FRANCE has led her to oppose a double standard. The French monetary commission, of 1869–70, consisting of twenty-three members, voted, by a large majority, in favor of a single gold standard, some of the members going still further, and insisting that it was desirable to ascertain the views of other countries, as to the measures required to carry out such an object.‖ Likewise the Belgian Monetary Commission, of November, 1873, reported in favor of adopting a similar standard, declaring that the rise of prices in their country had been greatly aggravated in intensity by the existence of a double standard. So the world is gravitating towards a single standard, and ultimately will have but one.

* Money of account . . might exist, although there was no such thing as any substance, which could become an adequate and proportional equivalent for every commodity. *Sir James Stewart's Polit. Econ.*, vol 1, p. 526, 4th ed.

"Civilized nations generally make use of ideal money only, because they have converted their real money into ideal."—MONTESQUIEU *Spirit of Laws*, vol. 2, p. 56.

† *Locke's Works*, vol. 5, p. 151, 2d ed., 1823. ‡ *Econ. of Capital*, pp. 56–9.

§ *Money*, chap. IV.

‖ See Corresp. in *Lond. Econ.*, Nov. 15, 1873.

A HISTORY OF PAPER MONEY.

A History of American Currency; with chapters on the English Bank-Restriction Act and Austrian Paper Money. By William G. Sumner, Professor of Political and Social Science in Yale College: to which is added the Bullion Report of 1810. *One volume, N. Y.* 1874, 394 *pp. Price, three dollars.*

This volume is an opportune addition to the literature of banking; and supplies to the many seekers after knowledge much information on the (supposed abstruse) subject of paper money. The volume is peculiarly appropriate and acceptable at this period, because the public journals of the day, and our congressional debates of the current year indicate a sad ignorance of those principles which should govern the laws, and likewise an ignorance of those facts which are duly recorded in the financial history of this country.

One would readily suppose that the legislation of the present day would be largely influenced, if not controlled by the opinions of those eminent men who have contributed so wisely to the action of Congress, so far as the heads of the Treasury were concerned, from the year 1790 to 1840. But unfortunately the financial history of the country, and the established principles of finance in EUROPE and AMERICA, have been recently overlooked by modern legislators; and attempts have been recently made to again inaugurate the follies of the French assignat and the paper system of 1833–1837.

We may breathe again! The attempt to fasten upon us a paper currency, of enormous dimensions or volume, is for the present frustrated. Let us hope that the day is approaching when Congress will re-establish the currency of the country upon a specie basis, and upon such a reliable footing that the present generation will see no relapse. Let the advice of a HAMILTON, a GALLATIN, a DALLAS, and a CRAWFORD be adhered to, and of every Secretary of the Treasury from the formation of the government to the lamentable year of 1861.

Mr. SUMNER'S new volume is divided into chapters, viz: I.—History of the early American Currency. II.—Legal-tender Issues of 1751. III.—Continental Paper Money. IV.—First Bank of the UNITED STATES. V.—Second Bank of the UNITED STATES. VI. The crises of 1819 and 1825. VII.—Bank expansion of 1833–1840. VIII.—The Crisis of 1837–1838. IX.—The Crisis of 1857. X.—The Paper Money of 1861–1871. The Appendix contains

valuable details, not hitherto published in the UNITED STATES, on the Bank-Restriction Act of 1795, and also a copy of the celebrated Bullion Report of 1810.

Those who wish to possess themselves with a true history of the crises of the present century, will find in Mr. SUMNER'S volume, a resume of the facts relating to the paper-money system of ENGLAND and the UNITED STATES during the early portions of the century, followed by ample details as to the crises of 1819, 1825, 1837, 1847, 1857 and 1861, when the merchants and bankers of both countries were sadly distressed.

The Crisis of 1857.

Of this the author says:

In the inquiries which were made as to the causes of the crisis, the state of the currency was generally recognized as the root of the trouble. The over-trading, over-importation, stock speculation, extravagance, etc., were generally ascribed to this, but there were some who found other causes for the crisis.

In general, however, the fact was recognized that the great means of keeping the business of the country sound, so far as anything can control haste for riches, is to keep the currency sound, and that the only way to keep the currency sound is to have it actively and actually converted into coin.

The Financial Errors of 1861–1862.

Such was the situation when Congress met in December, 1861. Never did any man have such an opportunity to win immortality as a financier as was now offered to Mr. CHASE. The situation had at this moment few difficulties. The people were less sanguine that the war would be short than they had been in the previous summer. They had contracted their expenses to the lowest point, and production was reduced to the necessary supply for consumption. They held their disengaged capital ready to the demand of the government, if it should act with promptness and decision, and support its own credit. Nor was it the capital of the country alone which was available. War taxes must and always do trench upon income. It was the active productive power of the nation, which might be turned to war-making, which was the great resource. The nation was not only willing to be taxed, but itself understood generally that only when it was being taxed could it give full credit to its own paper promises. The Congress, moreover, was ready to give to the Secretary all he asked. If he had been the minister of the Czar he could not have disposed more absolutely of the National resources. All that was needed was a firm, clear, bold policy, showing that he understood himself and the situation.

The treasury report presented no such policy. It did not take the lead at all. It discussed government paper disparagingly, sug-

gested a National banking system tentatively. It only showed that the nation was drifting into financial embarrassments for want of a policy. The real financial question of the day was: whether we should carry on the war on specie currency, low prices and small imports, or on paper issues, high prices, and heavy imports. The alternative was not understood because no one distinctly contemplated the latter course, but it was sure to be the result of drifting under no policy.

Legal-Tender Act.

The embarrassments of the government becoming greater and greater, the bill for an issue of legal-tender notes was hastily prepared and offered in the House. Mr. E. G. SPAULDING, of Buffalo,* claims to have been the author of this act, and no counter claimant has ever arisen. The act was earnestly opposed by some of the oldest and best members of both houses, but it was pressed as "necessary," and forced through with the energy and decision, which, earlier in the session so much needed to be exerted in another direction. So far as I know, Mr. OWEN LOVEJOY is the only man who is on record as having put his finger on the irredeemable bank notes as the greatest evil in the situation. The bill was signed on the 25th February, 1862.

This act was passed, as the debate shows, as a temporary war measure. On the part of its advocates, Mr. THADDEUS STEVENS at the head, it was urged and probably believed, that the legal-tender clause would prevent depreciation and give credit to the notes.

PELATIAH WEBSTER wrote in 1791: "The fatal error, that the credit and currency of the continental money could be kept up and supported by acts of compulsion, entered so deep into the minds of Congress, and of all departments of administration through the States, that no considerations of justice, religion, or policy, or even experience of its utter inefficacy, could eradicate it. It seemed to be a kind of obstinate delirium, totally deaf to every argument drawn from justice and right, from its natural tendency and mischief, from common sense, and even common safety. This ruinous principle was continued in practice for five successive years, and appeared in all shapes and forms, *i. e.*, in tender acts, in limitation of prices, in awful and threatening declarations, in penal laws with dreadful and ruinous punishments, and in every other way that could be devised, and all executed with a relentless severity, by the highest authorities then in being, viz., by Congress, by assemblies and conventions of the States, by committees of inspection (whose powers in those days were nearly sovereign), and even by military force; and though men of all descriptions stood trembling before this monster of force, without daring to lift a hand against it, during all this period, yet its unrestrained energy proved ever ineffectual to its purposes, but in every instance increased the evils it was designed to remedy, and

Financial History of the War.

destroyed the benefits it was intended to promote. At best its utmost effect was like that of water sprinkled on a blacksmith's forge, which, indeed, deadens the flame for a moment, but never fails to increase the heat and force of the internal fire. Many thousand families of full and easy fortune were ruined by these fatal measures, and lie in ruins to this day, without the least benefit to the country or to the great and noble cause in which we were then engaged."

One immediate effect of the Legal-Tender Act was to destroy our credit abroad. Stocks were sent home for sale, and as BAGEHOT shows,* Lombard street was closed to a nation which had adopted legal-tender paper money. No sales of bonds could be made in ENGLAND until the war closed, and the amount of legal tender to be issued was finally fixed by facts. The loans at home were scarcely more successful. Much was said in Congress about the disgrace of "shinning" through Wall street to borrow money for National use, and a foolish pride of seeing the bonds quoted at par, led to such restrictions on the Secretary that he was obliged to resort to the most disadvantageous transactions with lenders, and to continue paper issues until a six-per-cent. bond sold at par indeed, but for a currency worth from 60 to 70 cents on the dollar. The notes he paid out to government creditors were accumulated in banks, and then deposited again in the United States Treasury at five per cent.

By August all specie had disappeared from circulation, and postage stamps and private-note issues took its place.

The contraction of 1865, inaugurated by Secretary MCCULLOCH, was a wise measure; but Congress unfortunately interfered and put a stop to a policy which, if prosecuted to this day, would have placed us upon a specie basis. The author says:

The war being ended, the financial question took this form: Shall we withdraw the paper, recover specie, reduce prices, lessen imports, and live economically until we have made up the waste and loss of war, or shall we keep the paper as money, export all our specie which has hitherto been held in anticipation of resumption, buy foreign goods with it, and go on as if nothing had happened?

Mr. MCCULLOCH, who was now Secretary of the Treasury, proposed to contract the inflated paper, and pursue the former alternative. On the 18th of December, 1865, the House voted, 144 to 6, to authorize a contraction of 10,000,000 in the next six months, and of 4,000,000 per month after that. This operation went on until January, 1868, but in the meantime the National banks were going into operation, being allowed 300,000,000 of circulation, 150,000,000 apportioned by population, and 150,000,000 by banking capital, and their notes more than compensated for the greenbacks withdrawn. During the year 1867, also, war fears being

* Preface to the last edition of the *English Constitution.*

laid aside; speculation had sprung up, and begun to absorb the redundant paper. The turning point at which the greenback contraction met the bank note expansion was January, 1868.

At this juncture outcries were raised against contraction by those who were engaged in the movement of expansion, though, in regular business, credit was still kept in the narrow bounds to which it had been reduced during the war, and the people at large, understanding that the Legal-Tender Act was a war measure, and expecting in good faith that resumption must follow peace, had made ther arrangements accordingly. Congress forbade any further contraction, and we turned to the second of the above alternatives, which we have since consistently followed.

The War Measures of Paper Money.

During the crisis greenbacks were hoarded, which was thought to prove "how good they were." If the currency consisted of clam-shells, and a crisis should come, in which it was to be feared that clam shells might be scarce, clam shells would be hoarded; much more if there was fear that the next currency might be pebbles.

Studying these facts in the light of the previous history, we perceive that the annual pressure, in the autumn, increasing in force from year to year, was a premonition of the effect which must be apprehended whenever the expansion of credit and prices should have absorbed the entire redundancy of the currency. We have seen in the history of the Massachusetts colony that each new issue was followed in a few years by a new crisis, and an outcry about hard times and scarce money. The law which governs this is apparent. The rise of prices and multiplication of credit operations will go on to absorb any amount of currency whatever. If then, the amount be fixed, expansion must come up to and press against this fixed barrier. This pressure will become apparent, first at that season of the year at which the normal requirement is greatest. At that time there will be great distress occasioned by the need of withdrawing currency from the use in which it is engaged. As it cannot be imported, and the law forbids its increase, there is no relief. It must be withdrawn, and the consequences must be endured. Then it is said that the currency is not elastic, and schemes are invented for making it so; but no device whatever can make it elastic. An elastic body is one which will both expand and contract but a paper currency never contracts itself. Any device which has elasticity for its object will have expansion for its effect.

If, now, any one is disposed to believe that there are any circumstances in this country, which are so different from those of other countries, that inferences from the history of the latter are of no value for the former, here is the history of the currency of this country, briefly and cursorily presented, but sufficiently to

show how, from the very outset our industrial development has been crippled by bad arrangements in this respect. English writers have lately given up the discussion of currency questions, and have taken the tone of passing by people who bother their heads about this subject as "possessed." The same tone has been borrowed here by a certain school which imports its *tone* even more than its ideas. No one knows what a sick and weary subject paper money is unless he has made it a specialty. I have stated below,* in its more proper connection, the distinction which is here to be observed; when the currency is sound it takes care of itself, and other considerations of far higher scientific character come in to require attention; when the currency is redundant, irredeemable paper, it floats everything and becomes a prime consideration. The English are fortunate in having experience only of a sound currency and being able to make light of evils they do not know, although they must yet again take up the subject, for, that the Bank Act of 1844 is not a scientific settlement of the currency question, is proved by the fact that it could not be imitated by any other nation.

For us the currency question is of the first importance, and we cannot solve it nor escape it by ignoring it. We have got to face it, and work through it, and the best way to begin is not by wrangling about speculative opinions as to untried schemes, but to go back to history, and try to get hold of some firmly established principles, from which we can proceed with some confidence and a certain unanimity.

We often boast of the resources of our country, but we did not make the country. What ground is there for boasting here? The question for us is: What have we made of it? No one can justly appreciate the natural resources of this country until, by studying the deleterious effects of bad currency and bad taxation, he has formed some conception of how much, since the first settlers came here, has been wasted and lost.

It is curious at this day to recur to the financial events of the European war with NAPOLEON, when paper money was again the stumbling block.

Lord GRENVILLE said that, "having considered this restriction as one of the greatest calamities under which this suffering country had labored; having frequently had occasion to lament and deplore the part which he had himself taken on its original proposition in prolonging it for the term of the then existing war . . . he could not help expressing his joy and satisfaction that the country was at last arrived at that period in which it could look forward with certainty to the repeal of this injudicious and unfortunate measure." He declared that an irredeemable paper currency was, under any circumstances, a greater evil than good; that "he hoped it would be recorded of him, as his decided conviction, that in proportion to the danger under which the country labored, he would almost

* Page 253.

say, in proportion to the extent of that danger, was the impolicy and desperate madness of such a measure as they were now considering how to rescind. . . . He could show how the miseries of 1816 followed on the issues of the preceding year; he could show how the excessive issues of country paper, which could not maintain itself like bank paper by legislative enactment, led to a fearful depreciation, and without any fault of individuals, by the mere force of the system, involved the whole kingdom in one general desolation. Not only its trade and commerce, but its agriculture, its landed interest, even classes the most remote from connection with, or even knowledge of, the paper system, found themselves suddenly consigned to total and inexplicable ruin. If their lordships, could see at their bar, not merely the victims of commercial failure, but those numerous persons of all ages, sexes, and classes, who had unconsciously suffered even without understanding how or whence the evil fell upon them, such a spectacle would fill their lordships with horror; and he sincerely believed that not only would no voice be raised for the maintenance of such a system in commerce, but not even in war."

The proposition was advocated by Mr. Huskisson, who said that "a permanent state of cash payments and a circulation of one and two-pound notes could not co-exist." He urged that specie was the poor man's currency, and that, while there were no small notes, commercial crises might sweep over the mercantile community, but could not affect the laboring classes.

Mr. Grant said, that "in every wise system of currency it was a primary element that paper should be convertible at pleasure into a metallic currency, and that all small payments and the great bulk of the circulation should be in gold."

Alderman Heygate said, that the country bankers would be forced to withdraw their small notes within three years, which would bring ruin. He said that the act of 1819 was intended to bring back the old standard, but that it had raised that standard. The proof was that the coins were exported on account of their "fineness and beauty."

Mr. Attwood propounded a new law of the distribution of the precious metals: "The share of the precious metals which any country, rich or poor, could maintain, if there was any truth in experience, would be in the proportion of about half an ounce of gold against a quarter [8 bushels] of wheat, which gave 40*s*. or 50*s*. a quarter of this money, and no more."

Thus the opposition ran over the whole history of the Restriction and the whole theory of money, but the question was, whether, having a convertible currency, they should have in it notes under £5.

Mr. Canning said: "If, on the present occasion, I am for withdrawing, within a limited time, the one-pound note from circulation, it is not from the mere love of theory, but because I

have seen it practically proved in the experience of years, which have elapsed since the Bullion Committee sat, that the circulation of the small notes cannot co-exist with a metallic currency."

"It is vain to think of introducing gold amidst the overwhelming spread of small paper circulation. The small paper chokes up all the ordinary channels of circulation, so that the gold, though issued from the bank, cannot flow into them, but is returned to the source from which it came."

The Bullion Report.

The following extracts from the Bullion Report of 1810, should be fully considered by the legislators of 1874:

Your Committee therefore, having very anxiously and deliberately considered this subject, report it to the House as their opinion, that the system of the circulating medium of this country ought to be brought back, with as much speed as is compatible with a wise and necessary caution, to the original principle of cash payments at the option of the holder of bank paper.

Your Committee have understood that remedies, or palliatives, of a different nature, have been projected; such as, a compulsory limitation of the amount of bank advances and discounts, during the continuance of the suspension; or, a compulsory limitation, during the same period, of the rate of bank profits and dividends, by carrying the surplus of profits above that rate to the public account. But, in the judgment of your Committee, such indirect schemes, for palliating the possible evils resulting from the suspension of cash payments, would prove wholly inadequate for that purpose, because the necessary proportion could never be adjusted, and if once fixed, might aggravate very much the inconveniences of a temporary pressure; and even if their efficacy could be made to appear, they would be objectionable as a most hurtful and improper interference with the rights of commercial property.

According to the best judgment your Committee has been enabled to form, no sufficient remedy for the present, or security for the future, can be pointed out, except the repeal of the law which suspends the cash payments of the BANK OF ENGLAND.

In effecting so important a change, your Committee are of opinion that some difficulties must be encountered, and that there are some contingent dangers to the bank, against which it ought most carefully, and strongly to be guarded. But all those may be effectually provided for, by entrusting to the discretion of the bank itself the charge of conducting and completing the operation, and by allowing to the bank so ample a period of time for conducting it, as will be more than sufficient to effect its completion. To the discretion, experience, and integrity of the directors of the bank, your Committee believe that Parliament may safely entrust the charge of effecting that which Parliament may, in its wisdom, de-

termine upon as necessary to be effected; and that the directors of that great institution, far from making themselves a party with those who have a temporary interest in spreading alarm, will take a much longer view of the permanent interests of the bank, as indissolubly blended with those of the public. The particular mode of gradually effecting the resumption of cash payments ought therefore, in the opinion of your Committee, to be left in a great measure to the discretion of the bank, and Parliament ought to do little more than to fix definitely the time at which cash payments are to become, as before, compulsory. The period allowed ought to be ample, in order that the bank directors may feel their way, and that, having a constant watch upon the varying circumstances that ought to guide them, and availing themselves only of favorable circumstances, they may tread back their steps slowly, and may preserve both the course of their own affairs as a company, and that of public and commercial credit, not only safe, but unembarrassed.

THE BANKS OF CANADA.

The last official return of the banks of Ontario and Quebec is as follows:

	February 28.	*March* 31.
Capital authorized	$62,066,666	$63,066,666
Capital paid up	53,834,656	54,268,940
Liabilities.		
Circulation	$25,668,950	$25,028,268
Government deposits	10,078,915	10,451,359
Public deposits on demand	29,621,792	29,765,759
Public deposits at notice	24,526,408	24,371,962
Due other banks in Canada	2,179,279	1,995,159
Due banks not in Canada	7,490,251	7,408,068
Sundries	155,528	36,923
Total	$99,721,118	$99,077,498
Assets.		
Specie	$6,557,664	$5,988,903
Provincial notes	8,719,805	8,520,357
Notes and checks of other banks	4,267,339	4,282,935
Due from other banks in Canada	2,209,369	2,460,255
Due from banks not in Canada	9,911,687	8,844,403
Available Assets	$31,865,259	$30,196,853
Government stock	1,174,428	1,174,428
Loans to Government	109,329	37,813
Loans to Corporations	3,097,946	2,989,276
Discounts	122,807,493	124,740,400
Real estate	491,818	482,603
Bank premises	2,292,753	2,302,744
Other assets	1,469,901	1,295,872
Total	$163,303,927	$163,119,989

NATIONAL BANKS OF THE UNITED STATES.

February, 1874.

Abstract of reports made to the Comptroller of the Currency, showing the condition of the National banks of the city of New York and of the UNITED STATES, at the close of business on Friday, the 27th day of February, 1874.

LIABILITIES.	*City of New York.* 48 *banks.*	*All others.* 1,927 *banks.*	*Totals, U. S.* 1,975 *banks.*
Capital stock paid in	$ 69,235,000	$ 421,624,901	$ 490,859,901
Surplus fund	21,937,705	101,559,642	123,497,347
Undivided profits	11,462,268	38,774,651	50,236,919
National bank notes outstand'g	27,085,342	312,517,613	339,602,955
State bank notes outstanding	122,835	956,153	1,078,988
Dividends unpaid	177,657	1,113,398	1,291,055
Individual deposits	163,184,295	432,166,039	595,350,334
U. S. deposits	423,716	6,853,243	7,276,959
U. S. disbursing officers	40,057	4,994,567	5,034,624
Due to National banks	78,834,937	59,600,451	138,435,388
Due to State banks & bankers	25,824,395	22,287,828	48,112,223
Notes and bills re-discounted	——	3,448,828	3,448,828
Bills payable	——	4,275,008	4,275,008
Aggregate Liabilities	$ 398,328,207	$ 1,410,172,322	$ 1,808,500,529
RESOURCES.			
Loans and discounts	$ 202,058,582	$ 692,003,116	$ 894,061,698
Overdrafts	383,175	3,414,726	3,797,901
U. S. bonds to secure circulat'n	33,833,100	355,781,600	389,614,700
U. S. bonds to secure deposits	650,000	13,950,200	14,600,200
U. S. bonds on hand	5,143,850	5,899,550	11,043,400
Other stocks, bonds, & mortgages	5,256,788	20,048,948	25,305,736
Redeeming and reserve agents	——	101,502,861	101,502,861
Due from other National banks	10,194,087	26,429,914	36,624,001
Due from State banks & bankers	1,901,120	9,595,591	11,496,711
Real estate, furniture, & fixtures	8,504,600	27,539,141	36,043,741
Current expenses	1,134,561	5,881,714	7,016,275
Premiums paid	1,647,482	7,076,146	8,723,628
Checks and other cash items	1,546,693	8,723,262	10,269,955
Exchanges for Clearing House	46,387,021	16,381,098	62,768,119
Bills of other National banks	4,204,830	15,767,506	19,972,336
Bills of State banks	2,340	28,575	30,915
Fractional currency	271,970	2,037,949	2,309,919
Specie on hand	24,686,466	8,679,404	33,365,870
Legal-tender notes	26,646,542	76,071,021	102,717,563
U.S. certif. for legal-tender notes	23,875,000	13,360,000	37,235,000
Aggregate Resources	$ 398,328,207	$ 1,410,172,322	$ 1,808,500,529

NEW YORK BANK DIVIDENDS.

With the capital and surplus profits of each, March, 1874.

Name.	*Capital.*	*Dividends.* May, 1873.	Nov., 1873.	May, 1874.	*Net Profits. March*, 1874.
American Exchange Nat. Bank.	$ 5,000,000	4	4	4	$ 1,435,800
Union National Bank	1,500,000	6	5	5	949,200
National City Bank	1,000,000	10	10	10	1,445,800
Gallatin National Bank	1,500,000	4	‡4	4	726,600
Mercantile National Bank	1,000,000	5	5	5	386,600
Nassau Bank †	1,000,000	4	4	4	126,500
Fulton National Bank	600,000	5	5	5	562,700
Pacific Bank †	* 422,700	3	3	3	373,700
Chemical National Bank	* 300,000	15	15	15	3,085,700
Totals, May, 1874	$ 12,322,700				$ 9,092,600

Average capital to each bank, $ 1,369,189. Ratio of gross profits to gross capital, nearly seventy-four per cent.

PHILADELPHIA BANK DIVIDENDS.

May and November, 1873, and May, 1874.

Name of Bank.	*Capital.*	*Dividends.* May, 1873.	Nov., 1873.	May, 1874.	*Surplus, May*, 1874.
Farmers & Mech. N. B.	$ 2,000,000	5	5	5	$ 1,500,000
Philadelphia Nat. Bank.	1,500,000	7	7	7	750,000
Manufacturers' Nat. B'k	1,000,000	4	4	4	200,000
Girard National Bank	1,000,000	6	6	6	500,000
National B'k of Republic	1,000,000	3½	3½	3½	60,000
Commercial Nat. Bank.	810,000	5	5	5	217,641
Mechanics' Nat. Bank	800,000	6	5	6	200,000
Central National Bank	750,000	5	5	5	400,000
N. B. Northern Liberties	500,000	10	10	10	500,000
Penn National Bank	500,000	6	5	6	110,000
Corn Exchange Nat. B'k	500,000	6	6	6	200,000
Western National Bank.	400,000	5	5	5	100,000
City National Bank	400,000	6	6	6	260,000
Consolidation Nat. Bank	300,000	6	6	6	229,088
Commonwealth Nat. B'k	300,000	3	3	2	1,849
Union National Bank	300,000	5	5	5	100,000
Second National Bank	300,000	5	5	5	90,000
Third National Bank	300,000	5	5	5	60,000
Southwark Nat. Bank	250,000	8	12	10	150,000
Kensington Nat. Bank	250,000	6	6	6	150,000
Nat. Bank of Commerce	250,000	4	4	4	50,000
Seventh National Bank.	250,000	5	3	3	31,000
Spring Garden Bank	250,000	—	5	5	—
Germantown Nat. Bank	200,000	7½	6	6	100,000
Tradesmen's Nat. Bank	200,000	10	10	10	500,000
Bank of America	170,000	4	4	3	—
Sixth National Bank	150,000	5	5	5	32,896
People's Bank	100,000	6	6	6	—
West Philadelphia Bank	100,000	3½	4	4	—
	$ 14,830,000				$ 5,492,474

* Quarterly. † State banks. ‡ April and October.

COMMERCIAL FAILURES OF 1873.

From the Annual Circular of DUN, BARLOW & CO., 335 *Broadway.*

States.	1871. *No. of Failures.*	1871. *Am't of Liabilities.*	1872. *No. of Failures.*	1872. *Am't of Liabilities.*	1873. *No. of Failures.*	1873. *Am't of Liabilities.*
Alabama	26	$525,000	75	$1,501,000	52	$1,337,000
Arkansas	15	95,000	20	217,000	17	307,000
California	89	4,279,000	80	2,434,000	70	1,500,000
Colorado	—	——	8	147,000	—	——
Connecticut	77	3,915,000	70	2,370,000	104	1,452,000
Delaware	11	208,000	20	189,000	31	663,000
District of Col.	9	158,000	8	59,000	13	240,000
Florida	2	11,000	15	179,000	10	258,000
Georgia	42	964,000	73	1,293,000	67	2,113,000
Illinois	172	5,820,000	185	11,470,000	329	7,109,000
Indiana	60	860,000	80	991,000	134	2,260,000
Iowa	69	797,000	91	876,000	141	1,917,000
Kansas	58	790,000	90	860,000	94	821,000
Kentucky	80	1,163,000	99	2,059,000	125	2,287,000
Louisiana	45	2,437,000	85	3,100,000	74	2,831,000
Maine	81	1,420,000	90	1,072,000	80	752,000
Maryland	61	1,194,000	75	5,045,000	63	1,229,000
Massachusetts	210	8,241,000	353	25,374,000	309	11,224,000
Michigan	125	1,521,000	175	2,720,000	248	3,917,000
Minnesota	37	471,000	43	407,000	61	914,000
Mississippi	30	355,000	53	591,000	79	909,000
Missouri	99	1,995,000	175	2,670,000	188	5,817,000
Nebraska	11	251,000	17	201,000	22	311,000
New Hampshire	21	129,000	37	447,000	27	513,000
New Jersey	72	597,000	126	2,036,000	119	2,482,000
New York	321	9,051,000	423	8,417,000	544	13,721,000
New York City	324	20,740,000	385	20,684,000	644	92,635,000
North Carolina	35	390,000	30	282,000	63	672,000
Ohio	189	4,077,000	226	6,569,000	321	11,320,000
Pennsylvania	357	7,110,000	445	9,422,000	576	31,445,000
Rhode Island	21	303,000	40	1,179,000	58	15,259,000
South Carolina	30	801,000	40	801,000	36	1,927,000
Tennessee	42	369,000	56	1,438,000	77	1,636,000
Texas	38	673,000	75	860,000	116	1,754,000
Utah	—	——	7	105,000	—	——
Vermont	25	282,000	30	229,000	21	350,000
Virginia & W. V.	76	1,722,000	103	1,635,000	125	2,188,000
Wisconsin	61	386,000	66	1,127,000	81	1,574,000
Total	2,915	$85,252,000	4,069	$121,056,000	5,183	$228,499,000

The increase of over 25 per cent. in the number of failures, as compared with those of 1872, is less startling than the prodigious amount of indebtedness represented. It is by such a record as this that the disastrous effects of the panic of last fall are shown.

THE USURY LAWS OF NEW YORK.

CASE BEFORE THE SUPREME COURT OF N. Y., ONONDAGA CIRCUIT, MAY, 1873.

The Farmers' Bank of Fayetteville, N. Y., v. *Mark Hale and Hezekiah Cass.*

A jury trial having been waived and the facts agreed upon, the stipulation containing the same was read in evidence. The plaintiff is an association organized under the general law, passed in 1838 to authorize the business of banking, and the amendments thereof. It is admitted that the plaintiff took, and the defendant HALE [the maker] paid, $13.50 in addition to seven per cent. interest upon the note stated in the complaint, which note bears date, October 18, 1872, and is for $1,350, payable at the FARMERS' BANK OF FAYETTEVILLE; and is endorsed by the defendant CASS.

L. C. GARDNER for plaintiff; LYMAN & JAMES for defendants.

Opinion by HARDIN, J.—The conceded facts present for determination the single question involved in this action. Does the charge and payment of $13,50 in excess of seven per cent., as a condition of the discount of the note mentioned in the complaint, render the note absolutely void in the hands of the plaintiff, or does it work a forfeiture of the entire interest which the note carries with it?

To determine this question it is necessary to give a construction to chapter 163 of the laws of this State, passed April 9, 1870.

No judicial construction of the statute was cited on the argument of this case.

But it is claimed in behalf of the defendants, that the decision made by the Court of Appeals in FIRST NATIONAL BANK OF WHITEHALL *v.* LAMB, 50 *N. Y. Reports*, 95, holding that no privilege or immunity from the usury laws of the State is conferred upon National banks by the Act of Congress of 1864, and a contract for a loan made in this State with one of these organizations by which it reserves a greater rate of interest than seven per cent., is void, places these institutions upon an equality with individuals, and subject to the general statute of this State in respect to usury: that State associations, like the plaintiff here, are on an equality with National banks organized under the act of Congress.

Such construction of chapter 163 gives but little effect to its provisions. Some of its provisions would be wholly without effect or significance. It is a cardinal rule to be observed in the construction of a statute, that full effect and force should be given to all its provisions if possible.—13 *Wisconsin R.*, 57.

The first section in express terms confers authority upon such associations "to take, receive, reserve, and charge on every loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate of seven per cent. per annum, and such interest may be taken in advance." It also expressly limits the forfeiture, in case the violation of the authority conferred shall take place.

It expressly declares that the "knowingly taking a rate of interest greater than aforesaid, shall be held and adjudged a forfeiture of the entire interest, which the note or other evidence of debt carries with it, or which has been agreed to be paid thereon." It therefore appears that the statute has declared and limited the consequences of taking a rate greater than aforesaid.

That such is the limitation of the forfeiture contained in the act of Congress, is assumed by RAPELLO, J., in delivering the opinion of the Court, in BANK *v.* LAMB, supra. The same words are used in the statute now under consideration, and the assumption of the Court, in respect to the extent of the forfeiture, is therefore applicable and controlling here.

It must therefore be assumed that the first section confers upon the State associations the right to reserve seven per cent. interest, and limits and defines the forfeiture, in case a "greater rate is received."

This conclusion is strengthened by the subsequent provisions in section two, in respect to repeal of other statutes. It declares "and all acts and parts of acts inconsistent with the provisions hereof are hereby repealed."

The provision of the general law declaring void all contracts, when a greater rate than seven per cent is reserved, manifestly is inconsistent with the provisions of the first section above quoted.

It therefore, in express terms, is repealed *quo ad* the associations organized, like the plaintiff, under the act of 1838.

So far as the language already adverted to, of the first section, its true intent and meaning are clear and definite, and privileges and immunities inconsistent with the provisions of the general law are conferred upon State associations, absolutely and without restriction or qualification in respect to any other class or kind of institutions.

Following the power or authority given as aforesaid, and the forfeiture declared in case of any violation thereof knowingly, it is provided that (1) "in case a greater rate of interest has been paid, the person or persons paying the same, or their legal representatives, may recover back twice the amount of the interest thus

paid from the associations taking or reserving the same; provided that such action is commenced within two years from the time the excess of interest is taken."

(2.) But the purchase, discount or sale of a bona fide bill of exchange, note or other evidence of debt, payable at another place than the place of such purchase, discount or sale, at not more than the current rate of exchange for collecting the same, in addition to the interest, shall not be considered as taking or receiving a greater rate of interest than seven per cent. per annum.

These two particulars are found in the 30th section of the act of Congress. They are now in some respects in the statutory laws of this State. Before the legislature passed this enactment, the borrower could maintain an action to recover the excess paid if his action was commenced within one year, and his right to recover terminated at the end of one year.—1 *R. S.* § 3; PALEN *v.* JOHNSON, 50 *N. Y. R.*, 49.

The second particular being the same in respect to the purchase, discount, or sale of a bona fide bill of exchange, is a new permissive statutory provision, though it has been declared judicially that such purchase or discount was not usurious under the general statutes of the State in respect to usury—LEES BANK *v.* HOLBRIDGE, 19 *N. Y.*, 135.

This provision declared permissible just what the decisions had held was not prohibited.

Following the words given in the two particulars already quoted, assimilating the privileges of the two classes of institutions, are found in the second section of the State act these words: "It is hereby declared that the true intent and meaning of this act is to place the banking associations organized and doing business as aforesaid, on an equality, in the particulars in this act referred to, with the National banks organized under the act of Congress entitled," &c.

In giving effect to these words of section two, it must be borne in mind that it has been judicially determined by the highest court in this State, that the act of Congress, limiting the forfeiture to the interest has reference to the bank organized under the act in those States and Territories where no rate is fixed by law; in other words, that certain National banks are, by the act of Congress, authorized to charge seven per cent., and if they take or reserve more, the forfeiture is limited to such excessive interest, or twice that amount if sued for within two years. Would it not be more reasonable to suppose the legislature, after conferring, as before shown, in express terms, upon State institutions the power to receive seven per cent., and that the forfeiture should be of the excessive interest in case of the violation, intended to place State institutions in that respect, "on an equality with the National banks organized under the act of Congress," that were by the act entitled to the same privilege and immunities as were expressly conferred by this act, than to suppose that

by a declaration of the intent and meaning of the act, the words of the first section were to be overthrown, so that no effect could be given to their express and clear scope?

There are no words in the second section restricting the words, "the National banks organized under the act of Congress to the National banks located in their places of business in this State."

A construction which should apply these words so as to refer to banks located in States and Territories where there are laws upon the subject of usury, would find no more support from the words of the act, than would the construction which should apply these words to those National banks in States and Territories where no rate is fixed by law.

It having been declared in BANK *v.* LAMB, *supra*, that two classes are referred to in the National act, it may be fairly regarded as an open question in respect to which class reference is made in the second section of the act here under consideration.

A construction is always to be preferred, which shall give full significance and effect to all the words of an enactment over one which renders nugatory portions of the language employed. *Potter's Dwarres on Statutes*, p. 182 and note; BEALS *v.* HALE. 4 *Howard*, *U. S.*, 37.

"If the King's patent may be good to two intents then it shall be taken most beneficially to the King; but if it may be to one intent good, and to one intent void, then it should be taken to that intent which makes the grant good, and not that which makes it void."—1 *Coke R.*, 45.

The same rule applies to statutes.—15 *Johnson R.*, 358; 31 *N. Y.*, 290; 8 *Taunton*, 13.

So, too, a proviso or saving clause which is repugnant to the body of the act is void.—27 *Penn. State Reports*, 303.

But suppose it be urged that the legislature assumed that all National banks had the privileges and immunities conferred by the first section of their enactment in respect to State institutions; then may it not be replied with great force, that acting upon the assumption, a legislative construction was given to the act of Congress, and such construction adopted and incorporated in the legislative enactment, and made applicable to the State associations?

Either view harmonizes the declaration in the second section with the antecedent language granting privileges to the State associations, and limiting the forfeiture to the interest in case of a violation of its permissive language.

If the reference in the second section, as to National banks, is to that class in States where the rate of interest is regulated, it is difficult to find in the same section any words limiting the reference to those of that class located in this State, any more than to those located in the State of ILLINOIS, where the rate of interest is ten per cent. by law.

It is essential to refer the words, "the National banks organized

under the act of Congress," in the second section, to the class existing in States and Territories where the rate is not limited, in order to give effect to the words limiting the forfeiture to the interest, otherwise they would be nugatory.

It was held in 24 *Pickering Reports*, 370, that a construction of a statute which would lead to absurd consequences should be avoided.

The first section in clear terms declares that the knowingly taking, receiving, reserving, or charging a rate of interest greater than the aforesaid (to wit: seven per cent.), shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon.

That forfeiture is declared in specific language as to the plaintiff, a State association, and the expression of one forfeiture is, by its clear terms, an exclusion of all others.—DUDLEY *v.* MAHEW, 3 *Comstock*, 9; 50 *N. Y.*, 49.

And as before shown, all acts inconsistent being repealed so far as State associations are affected by them, and the repeal being absolute *quo ad* such institutions, it follows that the plaintiff, being a State association to which the act of 1870 applies, has, upon the admitted facts, forfeited the entire interest which the note in suit carries, and $13.50 agreed to be paid thereon in excess of seven per cent. per annum, and that the general provisions of the statutes of this State in respect to usury are repealed as to the plaintiff, a State association.

Judgment ordered for the plaintiff.

Judgment was affirmed by the General Term of the Fourth Department, upon the opinion of Judge HARDIN at Special Term.

LAW OF NEW YORK. APRIL 9, 1870.

SECTION 1. Every banking association, organized and doing business under and by virtue of the act entitled "An Act to authorize the business of banking," passed April eighteen, eighteen hundred and thirty-eight, and the various acts supplementary thereto and amendatory thereof, is hereby authorized to take, receive, reserve, and charge on every loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at the rate of seven per cent. per annum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run. The knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon; and in case a greater rate of interest has been paid, the person or persons paying the same, or their legal representatives, may recover back twice the amount of the interest thus paid, from the association taking

or receiving the same; provided that such action is commenced within two years from the time the said excess of interest is taken. But the purchase, discount, or sale of a bona fide bill of exchange, note, or other evidence of debt, payable at another place than the place of such purchase, discount or sale, at not more than the current rate of exchange for sight drafts, or a reasonable charge for collecting the same, in addition to the interest, shall not be considered as taking or receiving a greater rate of interest than seven per cent. per annum.

SEC. 2. It is hereby declared that the true intent and meaning of this act is to place the banking associations organized and doing business as aforesaid on an equality in the particulars in this act referred to, with the National banks organized under the act of Congress entitled "An Act to provide a National currency, secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved July third, eighteen hundred and sixty-four; and all acts and parts of acts inconsistent with the provisions hereof are hereby repealed.

SEC. 3. This act shall take effect immediately.

NATIONAL BANK ACT. SECTION XXX.

SEC. 30. *And be it further enacted*, That every association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State or Territory where the bank is located, and no more, except that where by the laws of any State a different rate is limited for banks of issue organized under State laws, the rate so limited shall be allowed for associations organized in any such State under this act. And when no rate is fixed by the laws of the State or Territory, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run. And the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. And in case a greater rate of interest has been paid, the person or persons paying the same, or their legal representatives, may recover back, in any action of debt, twice the amount of the interest thus paid from the association taking or receiving the same: *Provided*, That such action is commenced within two years from the time the usurious transaction occurred. But the purchase, discount, or sale of a bona fide bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts in addition to the interest, shall not be considered as taking or receiving a greater rate of interest.

THE CERTIFICATION OF RAISED CHECKS.

Supreme Court of the United States, October Term, 1873.

ESPY, HEIDELBACH & CO., plaintiffs in error, *v.* THE FIRST NATIONAL BANK OF CINCINNATI.

A check drawn by S. & M. on the bank for $26.50, in favor of H., was raised to $3,920, and the payee's named changed to E. H. & Co., and offered to the latter by a stranger in payment for bonds and gold purchased by him. E. H. & Co. sent the check for information to the bank, whose teller replied "it is good," or "it is all right." In a suit brought by the bank against E. H. & Co. a judgment was given for plaintiff. On error to this court it was held:

1. That where money is paid on a raised check by mistake, neither party being in fault, the general rule is that it may be recovered back as paid without consideration.

2. But that, if either party has been guilty of negligence or carelessness by which the other has been injured, the negligent party must bear the loss.

3. That where a party to whom such a check is offered sends it to the bank on which it is drawn for information, the law presumes that the bank has knowledge of the drawer's signature, and of the state of his account, and it is responsible for what may be replied on these points.

4. That unless there is something in the terms in which information is asked that points the attention of the bank officer beyond these two matters, his response that the check is good will be limited to them, and will not extend to the genuineness of the filling-in of the check as to payee or amount.

5. *Query:* Would the indorsement of the word "good," with the officer's initials, under such circumstances, make the bank liable beyond the genuineness of the signature and the possession of funds to meet the check as certified?

6. Where a check is certified for the purpose (known to the bank) of giving it credit for negotiation or circulation, to be used as money, and it so passed into the hands of third persons, the bank would be bound, though the case might be otherwise, when it was only certified to give the party presenting it assurance that it was good for his own satisfaction in taking it.

7. But it is clear that a verbal reply that a check is good, given for the information of the party about to receive it, extends

only to matters of which the bank had knowledge, or is presumed to have by the law, unless he is told that more extended information is expected or asked for as to the validity of the check.

In error to the Circuit Court of the UNITED STATES for the Southern District of OHIO.

Mr. Justice MILLER delivered the opinion of the court.

STALL & MEYER, customers and depositors with the FIRST NATIONAL BANK OF CINCINNATI, made their check on that bank for the sum of $ 26.50, payable to the order of Mrs. E. HART, and delivered it to a stranger to all the parties to the transaction, out of which this controversy arose. This man erased the name of the payee and the amount for which it was given, and inserted the name of ESPY, HEIDELBACH & Co., bankers and brokers, and also the sum of $ 3,920, and passed it to ESPY, HEIDELBACH & Co., in payment of bonds and gold which he purchased from them.

The check was paid by the bank through the clearing house, and the next day the fraud was discovered and the bank made a demand on ESPY, HEIDELBACH & Co., for the amount as paid through a mistake.

If this were all the case there could be no doubt of their right to recover. The principle that money so paid under a mistake of the facts of the case can be recovered back is well settled, and in the case of raised or altered checks so paid by banks on which they were drawn, there are numerous well-considered cases where the right to recover has been established, when neither the party receiving nor the party paying has been in any fault or blame in the matter. Of course if there is fault on the part of the party receiving pay for such a check, it strengthens the right of recovery.

But in the case before us, the rights of the parties are to be determined by what took place between themselves before the check was paid. It appears by the bill of exceptions, that the man who perpetrated the fraud, having ascertained from ESPY, HEIDELBACH & Co. the price of the bonds and gold which he proposed to buy of them, told them that he had dealings with STALL & MEYER, and would get their check for the amount, and after an absence of two or three hours returned with the check in question. Not wishing to take it from this stranger without further information, they sent Mr. SNARENBERGER, one of their clerks, to the bank, with instructions to ascertain if the check was good, and to say that it was presented by a stranger. SNARENBERGER presented it to Mr. SANFORD, the proper officer of the bank, who, after examining the check and the state of STALL & MEYER'S account, said "it is good," or "it is all right." "Send it through the clearing house."

There is a slight disagreement between SNARENBERGER and SANFORD as to the precise words used, but we do not deem the

difference of any importance. But there is difference in another point between these two, which, with the jury, might have had some weight. SNARENBERGER testifies that he told SANFORD that the check was offered to his house by a stranger, which SANFORD denies; and SANFORD says that he told SNARENBERGER that if the check was offered by a stranger he would advise them to have nothing to do with him; that he would be careful and not pay so large a check to a stranger, no matter how good-looking he was.

On the return of SNARENBERGER, ESPY, HEIDELBACH & Co. delivered the bonds and gold to the stranger and received the check in payment, and in the language of the record, the stranger went his way and was heard of no more. ESPY, HEIDELBACH & Co. indorsed the check, and it was paid, as stated already, through the clearing house.

In a suit brought by the bank to recover the money it had a judgment, to reverse which this suit is brought.

The defendants excepted to the admission of certain testimony given by the plaintiffs on the trial for the purpose of proving that the words "all right," "it is good," when used in reference to a check presented at the bank on which it is drawn, had, by the custom and usages of the bankers in Cincinnati, acquired a limited and well-understood meaning, namely, that it had reference exclusively to the genuineness of the drawer's signature and to the state of his account at the bank. The objections made to this evidence were that in its nature it was inadmissible, that the person testifying showed his want of knowledge on the subject, and that the expressions "all right" and "it is good" were not the precise expressions used. But we need not inquire whether the court was right in admitting this testimony, because in the subsequent progress of the trial it became immaterial. The court refused to charge the jury, as requested by the plaintiffs in their fifth and sixth prayers, that if there was such an understanding among bankers as to the use of the terms mentioned, it limited the responsibility of the bank to these two matters; and in the charge of the court of its motion it placed the case beyond the influence of such testimony, by instructing the jury that as matter of law such was the effect of the words supposed, when used under the circumstances suggested by the interrogations of plaintiffs' counsel in regard to the understanding of them among bankers.

We are relieved also, by an attentive consideration of the instructions given by the court, from another very grave question much discussed by counsel in this court, that is, whether a verbal statement by the proper officer to certify checks that the one presented is good, is, or is not, the equivalent of a written certification of the check in the usual manner. For the fourth instruction asked by the defendants and granted by the court is precisely what is claimed by counsel here as to the effect of such verbal statement, as will be seen at once by its inspection. It is as

follows: "A verbal certification of a check is equally valid with a written certification, and constitutes a contract obligatory on the party giving the certification, the consideration of which is the property parted with by the party receiving the certification on the faith of the certification." The plaintiff in error, against whom the jury rendered their verdict, notwithstanding the instruction thus given, must be held to have had the benefit of the principle thus asserted with the jury, whether the court was right in giving it or not.

The plaintiffs on the trial below prayed ten distinct instructions to the jury, all of which were granted, except the fifth and sixth, which we have considered. The defendants prayed eight instructions, all of which were refused or modified, except the fourth, to which attention has just been called. Upon all these rulings of the court as well as upon the charge of the court of its own motion, errors are assigned.

But we are of opinion that the whole case turns upon the latter charge of the court. This consisted of four distinct propositions:

1. That if defendants below sent the check to the bank for the purpose of having the latter pass upon the genuineness of the signature and the state of the account of the drawer, the statement that it was good, or all right, would estop them from denying that the signature was genuine, and there were funds to meet it.

2. If defendants sent the check for the purpose of testing the genuineness of the signature of the drawers, the state of their account, and to test its genuineness in all other respects, and plaintiff, knowing the full extent of the object for which it was sent, replied, "it is good," or "it is all right," plaintiff is estopped to set up that the check was raised.

3. That if the defendants had no suspicion that the check was raised and sent it to plaintiffs for examination without specifying the particulars to which they wished the examination directed, the plaintiffs had a right to presume that it was desired in relation to such points as the law presumed them to have knowledge, namely, the genuineness of the drawer's signature and the state of his account, and if they answered in good faith and had no means other than those of defendants of knowing that the check was raised, they were not estopped from setting up that fact.

4. That if the parties were mutually ignorant and unsuspicious concerning the check being raised, the law did not impose upon plaintiffs, more than the defendants, the duty of calling on the drawers for information on that subject.

The plaintiffs in error, defendants below, can have no cause to complain of the first and second proposition laid down by the court below.

If the bank officers had their attention turned to the matter of the raising of the check, or even had notice that in applying to

them for information, the parties presenting it did so for the purpose of getting information which would include that subject, they could have limited their general statement that it was good so as to exclude its application to that point, or might have declined answering altogether. If, with this notice, says the court, they gave a general statement that the check was good, or all right, these words must be held to have reference to all the matters on which they knew that the other party had asked or desired their opinion. Unless we are prepared to hold, to the fullest extent, the principle asserted by the plaintiffs in error, that the general statement that the check is good binds the party making it as to every thing connected with its validity, this charge of the court is as favorable to them as it should have been and is only doubtful as it militates against the bank.

We think it is equally clear on the principle that there was no error in the fourth proposition of the court. Undoubtedly, where there exists a suspicion that the check has been altered in the amount, or in the name of the payee, the proper party to be inquired of is the maker of the check. He and he alone has the means of settling that question conclusively. The bank, as a general rule, can know this no better than the party to whom it is presented for negotiation. It is the latter who first parts with his money or property on the faith of the check, and he is as much bound to diligent inquiry on that question as the bank. The latter is held by the law to know the drawer's signature and the state of his account. He is no more bound to know or to answer beyond these two matters than the party who presents it for information. So if there be no suspicion of the fraud in raising the check, the parties are equally innocent, and no question of the relative degree of diligence in making inquiry on that subject arises between them. This is certainly true unless the bank, if it consents to give any information at all about the validity of the check, is bound to answer as to every thing which may affect its validity. As this contention is the turning point of the case and is the one which is responded to in the third of the propositions laid down by the court, we turn now to consider that.

This assumes that neither party had any suspicion that the check was raised and that no special reference was made to that point in the inquiry of the defendants below. It is also to be considered that the bank was not asked to certify it in the usual way by indorsing it as good, and that the party who asked information was the one whose name was in the check as payee. We do not propose to decide here what would have been the legal effect in the present case if the bank officer had, under precisely these circumstances, been requested to indorse the check as good and had done so, affixing his name or his initials in the ordinary way.

The strong argument of plaintiff in error is that such an indorsement would bind the bank for the entire validity of the check, and that what was said verbally by SANFORD was the legal

equivalent of such an indorsement. If this latter point were conceded, no case precisely in point has been produced where this would be held to bind the bank under the circumstances of the present case. The authorities relied on are mainly acceptances of drafts or bills of exchange; and it is the same class of cases that are relied on to show that a verbal acceptance, or promise to accept, is equivalent to a written acceptance. The highest courts in this country and ENGLAND have regretted the decisions which gave original sanction to this latter proposition. BOYCE *v.* EDWARDS, 4 PETERS, 122; JOHNSON *v.* COLLINS, 1 EAST, 103.

Bank checks are not bills of exchange, and though the rules applicable to each are in many respects the same, they differ in important particulars. MERCHANTS' BANK *v.* STATE BANK, 10 WALLACE, 647. Among these particulars is that a check is drawn against funds on deposit with the banker, and the endorsement that it is good implies that when the indorsement was made there were funds there to pay it. A bill of exchange is not drawn on such deposits necessarily, and its acceptance raises no implication that the drawer has such funds to meet it. It is a new promise by the acceptor to pay, funds or no funds. In both cases the bank is supposed to know the signature of its correspondent, and cannot, after indorsing it as good or accepted, dispute the signature. But as one of the main elements of utility in a bill of exchange is that it shall circulate freely, and it may thus pass through many hands on the faith of the acceptor's signature, it may possibly be that he should be responsible for the promise contained in it, as it came from his hands, for it was drawn on no special fund, and the possession of such fund by him does not affect his liability. By such acceptance he becomes primarily liable, as though he were the maker of a promissory note. How far these reasons should be applied to a certification that a check was good seems extremely doubtful, both on principle and authority. Where the object is to use the indorsement to put the check in circulation, or raise money on it, or use it as money, and this object is known to the certifying bank, it may be argued with some force that the bank should, as in case of an acceptance of a bill of exchange, be held responsible for the validity of a check as it came from the hands of the certifying bank. Such a rule would seem to be just when checks are certified, as we know they often are, without reference to the presence of funds by the drawer, and when the well-known purpose is to give the drawer a credit by enabling him to use the check as money, by putting it in circulation.

But such a verbal statement as was made in the present case cannot come within that principle. There was no design or intent on the part of the bank to assume a responsibility beyond the funds of the drawer in their hands, nor to enable the payee of the check to put it into circulation. Nothing was said or done by the bank officer, which could be transferred with the check as part of it to an innocent taker of it from the payee. Such sub-

sequent taker would have no right to rely on what was said by the bank officers, any further than the payee would.

We are of opinion that the court was entirely right in treating the case as one in which information was sought and obtained by Espy, Heidelbach & Co., for their own use, and to govern their own action. For such information as the bank was willing to give, and did give, it was, no doubt, responsible, because it had reason to believe that the other party would act upon it. But only to this extent and only on this principle is it liable. It is not liable as for accepting or indorsing a draft or check with intent that it might go upon the market for general use and negotiation with the credit of its name attached to the paper, just as it was placed on the market.

Under these circumstances we are of opinion that the Circuit Court was right in holding that, in the absence of anything tending to direct his attention to other matters, the bank officer had a right to suppose that information was desired of him only in regard to the signature of the drawers and the state of their account. These are material facts to be known, which both common sense and commercial law presumed to be within his knowledge. The answer he gave that the check was good or was all right must be supposed to be responsive only to these two points. The genuineness of the payee's name, and of the sum filled in the body of the check, were as well known and as easily ascertainable by the payees themselves as by the bank officer, and unless the inquiry was so framed as to call his attention to these points, he had no reason to suppose, in the nature of the transaction, that he was expected to give information in regard to them. So the response of "good" should not, on sound principle, be held to extend to them. He was under no moral or legal obligation to give an opinion on these points. He had no reason to suppose that he was asked for such an opinion, and because he did give an opinion that the check was good in the only points of which he knew anything, it would be illogical to hold the bank liable on the ground that the response meant good absolutely and for all purposes.

The court told the jury very clearly that if the bank officer had any reason to believe that the defendants were seeking information in regard to the general validity of the check, or if they had been asked any question which related to the genuineness of the check, as to the amount or the names of the payees, his statement that it was all right would bind the bank. This was as far as the court ought to have gone in that direction, for they were not bound to answer such a question, nor, as we have already said does the law or the nature of the business imply that they had any superior information on these points to that which the defendants had.

The case was certainly very fairly put before the jury, so far as the rights of plaintiffs in error are concerned, if the views here advanced are sound, and the judgment must be affirmed.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 900, May No.)

STOCKS.	FEB., 1874.		MAR., 1874.		APRIL, 1874.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
U.S. Six per cts. of 1881, Coupon Bds.	118⅜	121	119⅜	121	120¾	121⅝
" Five-Twenty of 1862, "	115⅝	118¼	116½	118¼	117¾	118⅞
" " 1864, "	116⅝	120½	118	120	119¾	120¾
" " 1865, "	118	121¼	119½	120¾	120⅝	121¾
" " 1865, New, "	116¾	119⅝	118	119½	119	120¼
" " 1867, ...	117⅝	120½	118¾	120½	119¾	120⅞
" " 1868, ...	117⅝	120⅜	118½	120⅛	119¾	120½
" Ten-Forty Coupon Bonds.....	114	116⅜	112¾	115⅜	114⅛	115½
" Five per cent. of 1881, Coupon	111¾	114¾	114¼	115⅛	115⅜	117
" Six per cent. Currency.........	115¼	116⅞	115⅞	117	116¾	117¼
Canton Company of Maryland......	72½	82¼	77	77	--	--
Delaware and Hudson Canal Co....	115	119½	116½	118¾	116	119
Consolidated Coal Co. of Maryland..	45½	49⅞	47	48	43½	46½
Quicksilver Mining Co	30	35½	29½	32¼	22¾	28
" " Preferred	35¾	40½	35	38½	35	35
Mariposa Land & Mining Company	8¼	10	6½	8¼	5	6
Union Mining Co. of Tennessee....	3⅜	4	3⅜	3⅜	2¾	2¾
Western Union Telegraph Co	72¾	77⅞	71½	82⅜	68	80
Pacific Mail Steamship Company....	41⅛	44	41⅜	49½	37¼	48⅝
Adams Express Co................	94	99	95½	100	97½	99¾
Wells, Fargo & Co. Express Co. ...	74	78¼	76	78½	77	79
American Express Co..............	63½	65¼	62	65	61	63¾
United States Express Co..........	70	73	70	72¼	67	71¼
N. Y. Cent. and Hudson River R. R.	103	105⅛	99⅞	105⅝	96¾	101¼
Erie Railroad	46¾	50⅛	37¾	47	34	40⅜
" Preferred............	72½	74½	64⅛	70	56	65
Harlem Railroad	124	134	129	133	125½	129
" Preferred.........	--	--	128	129	--	--
N. Y., New Haven & Hartford R. R.	129	131	130½	133½	132	133½
Michigan Central Railroad Co.	89	95¼	85½	89½	73½	85
Lake Shore & Mich. Southern R. R.	80⅜	83½	76½	82	73¼	80¾
Panama Railroad Company	115	117½	111	117	101	115½
Union Pacific Railroad Co..........	34	35⅞	31¾	38¾	30	38⅝
Illinois Central Railroad Co........	102¼	108½	103½	106	101	104¼
Cleveland & Pittsburgh R. R. Co....	87	90	87	89½	86	90¼
" Col., Cinn. & Ind. R. R..	78	89¼	75	81	65	75½
Chicago, Rock Island & Pacific R. R.	104½	109¾	103⅜	108	96¾	107⅛
Pitsb'gh, Ft. Wayne & Chic. R. R..	92	94¼	93¾	95½	92½	95¼
" " " Special.	--	--	--	--	--	--

Stocks.	Feb., 1874.		Mar., 1874.		April 1874.	
	Lowest.	*Highest.*	*Lowest.*	*Highest.*	*Lowest.*	*Highest.*
Chicago, Burlington & Quincy R. R..	105	112	103⅛	104½	101	104⅞
" & Alton Railroad Co.......	106½	115	103	106	102½	105
" " Pref.	109½	115	107	107¼	107	107¼
" & Northwestern R. R. Co...	56¼	61¾	50⅛	58	43	56¾
" " " Pref.	72	78½	69¼	74⅞	63	72¾
" Milwaukee & St. Paul R. R.	43½	48½	39¼	46	34½	44½
" " " Pref.	69½	74⅞	63¾	70¼	55½	64
Toledo, Wabash & Western R. R. Co.	49¼	54⅛	43¾	49¼	38	46⅛
" " " Pref.	..	..	71	71	..	..
St. Louis & Iron Mountain R.R. Co..	61	71½	53	61¼	28	54
Pacific R. R. Co. of Missouri........	39¾	45	37½	42⅞	37½	41
St. Louis, Kansas City & N. R. R. Pref.	30	34⅝	24¾	28½	24	26
Atlantic & Pacific R. R., Preferred.	17	22	15⅜	18⅝	12¾	16⅝
Del., Lackawanna & West. R. R. Co.	106⅛	112½	107	111¾	104¾	108⅝
Alton & Terre Haute R. R...........	14	16	12	12½	11	11
" " " Preferred	33	35	..	..	33	33
Morris & Essex Railroad Co.......	92	93	92	94	93¾	95
New Jersey Central Railroad Co....	103	109¾	104	107¼	104	108¾
Rome, Watertown & Ogdensb'g R.R.	73	75	73	75	..	..
Rensselaer & Saratoga R. R. Co....	104½	106	108	109	109	109
Ohio & Mississippi R. R. Co.........	31¼	34¾	29¼	32	24¾	31¾
Dubuque & Sioux City Railroad Co.	65	65	..	..	..	..
Central Pacific R. R. Co	72	73	71¾	72	72	72
Hannibal & St. Joseph R. R.......	30½	33¼	29	32⅞	25½	33⅛
" " " Pref.	39½	42	37⅞	41	31¼	39½
Boston, Hartford & Erie R. R........	1⅝	3⅜	1¾	2	1¼	1⅞
Col., Chic. & Ind. Cen. R. R.........	30¼	32⅜	28½	32⅝	20	32½

BOSTON BANK STOCKS.

It appears by the tabular statements of the Boston banks, as issued in our May No., page 899, that the shares are held at a large premium, showing that the surplus held and the dividends made are large. The surplus on hand last year was $12,131,000 on a capital of $50,800,000; or nearly twenty-four per cent.

The dividends for April, 1874, were as follows:

At 7 per cent.	2	At 4 per cent.	22
" 6 "	7	" 3½ "	1
" 5 "	18	" 3 "	1
" 4½ "	2		—
		Totals 53 banks	53

For the bank shares the following premiums are offered, while many are held much higher by holders:

Premium	*Offered.*	*Premium*	*Offered.*
Par to 10 per cent..........	7	51 to 60 per cent........	2
11 to 20 "	9	61 to 70 "	1
20 to 30 "	17	71 to 80 "	1
31 to 40 "	6	91 to 100 "	1
41 to 50 "	9		—
			53

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 871, May No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of April, 1874, compared with the same period in the years 1869–73.

APRIL.		1874.	1873.	1872.	1871.	1870.	1869.
1	Wednesday	13½ 13¾	16⅞ 17½	10 10⅛	10⅜ 10½	11½ 11¾	31⅜ 31¾
2	Thursday .	13¼ 13⅝	16⅞ 17⅝	9⅞ 10	Sun.	11½ 11¾	31½ 32
3	Friday	Holiday.	17¼ 17⅞	9⅞ 10⅛	10½ 10¾	Sun.	31¼ 31½
4	Saturday ..	13¼ 13⅝	17⅝ 18¾	10 10⅜	10½ 10¾	11½ 11⅞	Sun.
5	**Sunday**	Sun.	18¼ 19	10⅛ 10¼	10½ 10⅝	11⅞ 12⅛	31⅜ 31¾
6	Monday...	13¼ 13⅝	Sun.	10¼ 10⅜	10¼ 10½	11¾ 12⅛	31½ 31⅞
7	Tuesday ..	13¼ 13¾	18½ 19⅛	Sun.	Good Fri.	11⅞ 12⅛	31⅝ 31⅞
8	Wednesday	13½ 13¾	18 18⅝	10¼ 10½	10⅛ 10⅜	12⅛ 12⅜	31⅝ 32¼
9	Thursday .	13⅜ 13¾	17⅞ 18⅜	10¼ 10½	Sun.	12⅜ 13⅛	32⅛ 33¼
10	Friday	13½ 13¾	17⅞ 1 ⅜	10¼ 10½	10⅛ 10⅜	Sun.	32⅝ 33¾
11	Saturday ..	13½ 13⅝	Holiday.	10⅜ 10½	10¼ 10⅜	13⅝ 14⅛	Sun.
12	**Sunday**	Sun.	18⅜ 19⅛	10⅜ 10⅝	10¼ 10⅜	12⅝ 13⅜	32⅞ 33⅝
13	Monday...	13⅝ 13⅞	Sun.	10½ 10⅝	10⅛ 10⅜	12¼ 12¾	32⅜ 32⅞
14	Tuesday ..	13¾ 14⅛	18⅛ 18⅞	Sun.	10⅜ 10¾	12⅝ 13	32⅜ 33⅛
15	Wednesday	13¾ 14⅜	17⅜ 18⅛	10⅝ 10⅞	10⅝ 10⅞	Good Fri.	32½ 32¾
16	Thursday .	13½ 13¾	17⅛ 17⅝	10⅞ 11⅛	Sun.	13¼ 13¾	32⅝ 33⅜
17	Friday	13½ 13⅞	17 17⅝	10¾ 11⅛	10⅝ 10⅞	Sun.	33 33½
18	Saturday ..	13¾ 13⅞	17½ 18⅛	10⅞ 11⅛	10⅞ 11⅜	13¼ 13¾	Sun.
19	**Sunday**	Sun.	17¾ 18¼	11⅛ 11¼	11⅛ 11½	13¼ 13¾	33½ 33⅞
20	Monday...	13⅞ 14⅛	Sun.	11¼ 11⅜	11 11¾	13¼ 13⅝	33⅞ 34⅜
21	Tuesday ..	13¾ 14	17⅜ 17⅞	Sun.	10⅞ 11⅜	13 13½	34¼ 34⅝
22	Wednesday	13½ 13⅞	17⅜ 17⅞	11⅛ 11⅜	10⅞ 11	12¾ 13¼	34 34¾
23	Thursday .	12⅜ 13⅛	17¼ 17⅝	11⅜ 11¾	Sun.	13⅛ 13½	33¼ 33¾
24	Friday	11¾ 12⅜	17½ 17⅞	11¾ 12⅛	10½ 10¾	Sun.	33¼ 33½
25	Saturday ..	12⅛ 12½	17¼ 17⅞	12⅛ 12¾	10¾ 11	13½ 13⅞	Sun.
26	**Sunday**	Sun.	17⅜ 17⅝	12¾ 13¼	10⅝ 10⅞	13¼ 13¾	33⅜ 33⅝
27	Monday...	12⅛ 13⅛	Sun.	12⅝ 13	10⅝ 11⅛	13⅞ 14¾	33½ 34
28	Tuesday ..	13 13⅜	17 17⅜	Sun.	10⅞ 11¼	14⅝ 15½	33½ 34
29	Wednesday	12⅞ 13¼	16¾ 17⅛	12⅜ 12¾	11⅛ 11¼	14¾ 15⅝	33⅝ 34
30	Thursday .	12⅞ 13¼	16⅞ 17¼	12¼ 12⅝	Sun.	14½ 15¼	34 34½

MONTHLY PREMIUM ON GOLD AT NEW YORK, 1868–73.

DATE.	1868.	1869.	1870.	1871.	1872.	1873.
January ..	33¼ 42¼	34⅝ 36¾	19⅝ 23¼	10½ 11¼	8⅛ 10⅛	11⅝ 14¼
February .	39⅝ 44	30⅞ 38⅛	15 21½	10¾ 12¼	9½ 11	12⅞ 15⅛
March ...	37⅞ 41⅜	30¼ 32½	10¼ 16⅜	10⅛ 11⅝	9¾ 10½	14⅝ 18½
April	37¾ 40⅜	31⅜ 34¾	11½ 15⅝	10⅛ 11¾	9⅞ 13¼	16¾ 19½
May	39⅛ 40½	34⅛ 44¾	13¾ 15½	11 12¼	12⅛ 14⅜	16⅝ 18⅝
June	39⅜ 41¼	37 39⅝	10⅞ 14¾	11¾ 13⅛	13 14¾	15 18¼
July	40¼ 45¼	34 37⅞	11⅛ 22¾	11¾ 13⅝	13½ 15¼	15 16⅜
August ...	43½ 50	31¼ 37⅝	14¾ 22	11⅝ 13¼	12½ 15⅝	14⅜ 16¼
September	41⅛ 45⅛	30¾ 62½	12¾ 16¾	12¾ 15⅜	12¾ 15⅛	10⅞ 16⅛
October...	33¾ 40½	28⅛ 31¾	11⅛ 14¼	11½ 15	12¼ 15⅛	7⅝ 11¼
November	32⅛ 37	21⅛ 28⅜	10 13½	10⅜ 12⅜	11⅜ 14¼	6⅛ 10½
December.	34⅜ 36¾	19¼ 24	10¼ 11⅜	8⅜ 10⅜	11⅜ 13½	8⅜ 12⅝

For daily price of gold from January, 1862, to December, 1873, see *Banker's Almanac.*

CONGRESSIONAL DEBATE ON THE CURRENCY REPORT FROM THE COMPTROLLER.

HOUSE OF REPRESENTATIVES, APRIL 25TH, 1874.

Mr. Beck. I rise for the purpose of laying before the committee a communication from the Comptroller of the Currency, addressed to me and received a few minutes ago, in which he states that he thinks I did him an injustice in the remarks I made here yesterday. As he is a public officer and has no right to be heard on this floor on his own behalf, and as he has addressed a letter to me desiring that his views should be laid before the House, though they are perhaps not pertinent to the question now pending before the committee, I ask that his letter be printed in the *Congressional Record* as part of my remarks, or, if there be no objection, I should like to have it read.

Several Members. Let the letter be read.

The clerk read as follows:

Treasury Department, Office of Comptroller of the Currency,
Washington, April 20, 1874.

Sir: My attention has been called to a statement in the *Washington Daily Chronicle* of this morning, said to have been made by you in the House yesterday, as follows:

"Mr. BECK favored the motion to strike out, because he was opposed to the creation of so many bureaus on which no reliance could be placed. He said they had made a Comptroller of the Currency who had deceived the President, and led him to send a false message, misleading the House and the country. He had represented to the President that four millions of the National bank currency were not taken when there were one hundred and twenty-eight applicants for it. He had deceived the President and held the circulation to save the $25,000,000 to his friends in the East."

I understand that you called upon the Deputy Comptroller on Thursday, and regret that you did not find it convenient at the same time to call upon me in the adjoining room, when I have no doubt I could have easily satisfied you that my course in reference to the distribution of the currency has been in exact compliance with law. From the slight acquaintance I have with you I believe that you are incapable of doing an intentional injury to any one, and I therefore request that as an act of justice to myself you will cause to be read in the House the following extract

from my last annual report, showing the difficulties in the way of the execution of the act of July 12, 1870:

The act of July 12, 1870, authorizing an additional issue of $54,000,000, and providing that such notes should be issued to banking associations organized or to be organized in those States and Territories having less than their proportion under the apportionment contemplated by the act of March 3, 1865, and that the bonds deposited with the Treasurer of the UNITED STATES to secure the additional circulation should be of any description of United States bonds bearing interest in coin. It also provided that a new apportionment of the increased circulation should be made as soon as practicable, based upon the census of 1870, and for the cancellation monthly of three-per-cent. certificates equal in amount to the National bank notes issued—the last of these certificates having been finally redeemed during the present year. Of this additional circulation, authorized by the act of July 12, 1870, there was issued November 1, 1871, $24,773,260; in the year ending November 1, 1872, $16,220,210; in the year ending November 1, 1873, $7,357,479; leaving at the date of this report still to be issued to banks already organized and in process of organization, $5,649,051.

The act of July 12, 1870, further provides that when the fifty-four millions of additional circulation "shall have been taken up," the Comptroller of the Currency shall, as additional circulation may be required by the banks having less than their proportion, make a requisition for such an amount, commencing with the banks having a circulation exceeding $1,000,000 in States having an excess of circulation, and withdrawing their circulation in excess of $1,000,000, and then proceeding *pro rata* with other banks having a circulation exceeding $300,000 in States having the largest excess of circulation, and reducing the circulation of such banks in States having the greatest proportion in excess, leaving undisturbed any States having a smaller proportion until those in greater excess shall have been reduced to the same grade, and continuing thus to make the reduction provided for by this act until the full amount of twenty-five millions provided for shall be withdrawn; and the circulation so withdrawn shall be distributed among the States and Territories having less than their proportion, so as to equalize the same.

In accordance with the provisions of this section, it will be the duty of the Comptroller, as soon as the necessary bonds shall have been deposited to secure the small amount of additional circulation not already issued or "taken up," to proceed to make requisitions upon banks organized in the States which have an excess. It will probably be the duty of the Comptroller during the next three months to make requisitions as provided for by this act upon banks already organized in States which are in excess, for an amount equal to the aggregate amount of circulation called for by the applications on file from the States which are

déficient. These requisitions will be made upon the banks located in the following States and cities:

Four in the City of New York	$5,018,000
Thirty-seven in the City of Boston	13,320,000
Twenty-one in the State of Massachusetts,	2,659,000
Seventeen in the City of Providence	2,818,000
Fifteen in the State of Connecticut	1,185,000

This will reduce to $1,000,000 the circulation of all banks in the city of New York, having an excess over that amount, and the circulation of all banks in MASSACHUSETTS and RHODE ISLAND to $300,000. If these banks do not return the amount of circulation within one year after the requisition is made upon them, it is made the duty of the Comptroller of the Currency to sell at public auction, upon twenty days' notice, the bonds deposited by such associations as security for said circulation equal in amount to the circulation to be withdrawn, and not returned in compliance with the requisition. With the proceeds of the bonds the Comptroller is required to redeem the notes of these banking associations as they come into the Treasury. The notes of these banks are so scattered through the whole country that it will be impracticable for them to return their circulation without an expense not contemplated by the act; and, it will, therefore, be for the interests of the banks to provide the Comptroller of the Currency with the requisite amount of legal-tender notes with which to redeem their circulation as it comes into the Treasury. To this extent the act may be executed; but the notes to be redeemed will not come to the Treasury for redemption to any considerable amount, and, therefore but a small proportion of the twenty-five millions will be placed at the disposal of the Comptroller for redistribution to the banks of the South and West. The result will, therefore, be great embarrassment to the banks to whom the currency has already been issued, without providing any relief for organizations elsewhere, as contemplated by the act. The Comptroller, therefore, repeats the recommendation, contained in his previous report, that section 6 of the act of July 12, 1870, be repealed, and that twenty-five millions additional circulation be authorized to be issued and distributed among the States as heretofore provided.

I also request that you will have read the following copy of a letter addressed to Hon. W. W. PHELPS, of the Committee on Banking and Currency, transmitted to him on the 3d day of February last, in which was inclosed a bill prepared by me, for the purpose of *promptly* withdrawing $25,000,000 of National bank circulation from the Eastern States, and distributing the same to the West and South:

Treasury Department, Office of Comptroller of Currency,
Washington, February 3, 1874.

Sir: In accordance with your verbal request, I enclose herewith a copy of "A Bill to amend an act entitled, 'An Act to provide for the redemption of three-per-cent. temporary-loan certificates,

and for an increase of National bank notes,'" which was prepared at the request of Hon. JOHN SHERMAN, and transmitted to the Finance Committee of the Senate yesterday:

In order to carry out the provisions of this bill it will be necessary to withdraw circulation from the States which are in excess as follows:

Maine, about	$ 729,000
Vermont, about	755,000
Massachusetts, about	15,783,000
Rhode Island, about	2,808,000
Connecticut, about	3,025,000
New York, about	500,000
Pennsylvania, about	1,400,000
Total	$ 25,000,000

A table showing the States in excess and the amount of the excess will be found on page 7 of my last annual report.

The amount of circulation now outstanding of National banks which have failed or have gone into liquidation under section 42 of the acts, is $ 5,451,366. By reference to section 2 of the proposed bill you will find that it provides for the return of these notes to the Treasury for redemption, so that the effect of this legislation will be to place at my disposal in all more than $ 30,000,000 for redistribution to the States which are deficient in their proportion.

Perhaps a better title for the bill would be "A bill authorizing the redistribution of $ 25,000,000 of National bank currency."

Very Respectfully,

JNO. JAY KNOX, *Comptroller.*

Hon. JAMES B. BECK,

House of Representatives, Washington, D. C.

A bill to amend an act entitled "An act to provide for the redemption of the three-per-cent. temporary-loan certificates, and for an increase of National bank notes," approved July 12, 1870.

Be it enacted, &c., that so much of an act to provide for the redemption of the three-per-cent. temporary-loan certificates, and for an increase of National bank notes, as provides "that no circulation shall be withdrawn under the provisions of section 6 of said act until after the fifty-four millions granted in section 1 of said act shall have been taken up," is hereby repealed, and it shall be the duty of the Comptroller of the Currency, under the direction of the Secretary of the Treasury, to make requisition upon National banks having circulation exceeding $ 300,000 in amount, organized in those States having the greatest excess of circulation under an apportionment made on the basis of population and of wealth, as shown by the returns of the census of 1870, to withdraw and return their circulation in excess of $ 300,000, in such amounts as

shall be required, or to deposit in the Treasury of the UNITED STATES lawful money sufficient to redeem such circulation; and upon the return of the circulation required on the deposit of lawful money as herein provided, a proportionate amount of the bonds held to secure the circulation of such association as shall make such return or deposit shall be surrendered to it.

SEC. 2. *And be it further enacted*, That upon the failure of the National banks, upon which requisition for circulation shall be made, or of any of them, to return the amounts required, or to deposit in the Treasury lawful money to redeem the circulation required within thirty days, the Comptroller of the Currency shall at once sell, as provided in section 49 of the National currency act, approved June 3, 1864, bonds held to secure the redemption of the circulation of the association or associations which shall so fail, to an amount sufficient to redeem the circulation required of such association or associations, and with the proceeds, which shall be deposited in the Treasury of the UNITED STATES, so much of the circulation of such association or associations shall be redeemed as will equal the amount required and not returned; and if there be any excess of proceeds over the amount required for such redemption it shall be returned to the association or associations whose bonds shall have been sold; and it shall be the duty of the Treasurer, assistant treasurers, designated depositaries, and National bank depositories of the UNITED STATES, who shall be kept informed by the Comptroller of the Currency of such associations as shall fail to return circulation or to deposit lawful money as required, to assort and return to the Treasury for redemption the notes of such associations as they shall come into their hands, until the amounts required shall be redeemed, and in like manner to assort and return to the Treasury, for redemption, the notes of such National banks as have failed, or gone into voluntary liquidation for the purpose of winding up their affairs; and of such as shall hereafter so fail or go into liquidation.

Sec. 3. *And be it further enacted*, That so fast as circulation shall be returned and redeemed, as hereinbefore provided, it shall be lawful for the Comptroller of the Currency to issue circulating notes in the manner and proportion now provided by law, to associations organized, or to be organized, in those States and Territories having less than their proportion of circulation, under an apportionment made on the basis of population and of wealth, as shown by the returns of the census of 1870: *Provided*, That the whole amount of circulation withdrawn and redeemed from banks transacting business shall not exceed $ 25,000,000, and that such circulation shall be withdrawn and redeemed, only as it shall be necessary to supply banks in those States having less than their apportionment.

Mr. Randall.—I want to direct attention to one fact, that the Comptroller, upon the merest technicality in the world, has failed to execute that redistribution law for nearly four years.

* * * * * * *

Mr. Dawes.—I desire to say a few words in reference to what fell from the gentleman from KENTUCKY, [Mr. BECK] the tone of which, it seemed to me, was calculated to carry the impression to the country that the East was going to resist any attempt on the part of the Government of the UNITED STATES to withdraw the $25,000,000 excess which happens now to be in that section of the country, and distribute it over the UNITED STATES. Of course I am not authorized to speak for any one else, but while I speak my own sentiments only, I believe I speak the sentiments of the eastern representatives and of the eastern people.

They came by this excess by no fault of their own. They took up this capital when the South and West had the same opportunity as they had to take it up, and they only took it up in preference to the West and South, because the West and South believed that they could invest their money more profitably elsewhere. It so happens that all this capital is now taken up, either in the East or in the West. If it be necessary to a proper distribution of the currency of the UNITED STATES, that $25,000,000 be withdrawn from NEW ENGLAND, and NEW YORK, and NEW JERSEY, I do not think that they will be found resisting it here upon this floor. They desire two things. They desire free banking upon a basis of greenbacks at par. They do not desire to bring greenbacks to par by such a construction as would make the holder of a greenback pay the difference between its present value and its par value. They desire that the Government shall pay that difference. The Government made the promise and forced the people to take that promise. The Government and nobody else depreciated it. The Government and nobody else should pay that difference. The Government has not got the gold to pay the difference. Let the Government then do as an honest man would do, and say we will do the next best thing and exchange for the greenbacks we have forced you to take a government bond bearing such interest as will make it par, and then make banking free throughout the UNITED STATES.

Mr. Kelley.—I would like to ask the gentleman a question.

Mr. Clements.—Do I understand the gentleman from MASSACHUSETTS, as being in favor of increasing the interest-bearing debt of the country?

Mr. Dawes.—No, I am not; but I am in favor of the Government doing one of two things: either keeping its promise or else doing the next best thing, and giving an interest-bearing note for the greenback.

Mr. Kelley. I would like to ask the gentleman a question.

Mr. Dawes. My friend from ILLINOIS [Mr. CLEMENTS] certainly does not mean to say that he will neither pay his debts nor give his notes for them; I know he is an honest man. Nor will he say that the UNITED STATES will do any such thing. The

UNITED STATES should either pay the greenbacks in gold, or do the next best thing, promise to pay them in gold. And then you may have free banking and have it safely, just as safely as they had it in New York before the war; just as safely as you can have banking under any system in the world. If that cannot be done, then take your $ 25,000,000 if you please from NEW ENGLAND, NEW YORK, and NEW JERSEY, and distribute it in the West and South. Those in the East who took it because the West could not take it, because the West could more profitably invest its money otherwise, if the West can now as profitably put their money in banking institutions as they can in anything else, those in the East, in NEW ENGLAND, NEW YORK, and NEW JERSEY, I apprehend will not resist any such just measure as that. That is all I have to say.

* * * * * * *

Mr. Poland. I understood the gentleman [Mr. RANDALL] to say before precisely what he says now, that the Comptroller of the Currency was entirely in fault and had really violated the law in refusing for a long period of time to carry out this provision. Now, sir, the act of July 12, 1870, which contains this provision for the withdrawal of $ 25,000,000 of National bank currency is the same act in which provision is made for an increase of banking circulation of $ 54,000,000, to be given to States not having their proportion. I ask the clerk to read the passage I have marked at the close of the section authorizing the withdrawal of $ 25,000,000.

Mr. Randall. I hope I shall have an opportunity to reply to the gentleman.

Provided, That no circulation shall be withdrawn under the provisions of this section until after the $ 54,000,000 granted in the first section shall have been taken up.

Mr. Randall. That is the point, "taken up."

Mr. Poland. The authority or right on the part of the Comptroller to proceed, for the purpose of withdrawing this $ 25,000,000 and redistributing it, did not begin, he had no authority under that section to do anything whatever—until the provision of the law in relation to the $ 54,000,000 was exhausted. The gentleman from PENNSYLVANIA may cavil upon the words "taken up." I do not understand because some organized banking association applied for the currency that that is "taking up" within the meaning of the law. It means that they shall put up their securities so as to be entitled to receive that circulation; and that has not been done yet. I insist that the charge made by the gentleman against the Comptroller of the Currency in reference to this matter is entirely unfounded.

Mr. Randall. I have not caviled about the language at all. The Comptroller of the Currency, so far as my knowledge extends, both as a member of the House and a member of the

Committee on Banking and Currency, has rested his objection solely on that technical point about "taking up." The fact I understand to be this: that the whole amount has long since been assigned to certain parties who applied; subsequently to those assignments one hundred and twenty-eight further applications for more currency have been received by the Comptroller of the Currency, but he has refused to entertain them, because he says the currency is not actually issued. Now, I maintain that the meaning and intention of the law was, that whenever that entire amount of $ 54,000,000 of currency had been assigned to parties, it should be the duty of the Comptroller to execute the law of 1870, providing for a redistribution of $ 25,000,000; and I never heard until to-day that he rested his action upon anything else than a technicality of law, in opposition to what seems to me the plain intent of the enactment.

One word more. I heard for the first time to-day from the gentleman from New Jersey [Mr. Phelps] that the bill of the gentleman from Iowa [Mr. Kasson] had ever been in any manner, formal or informal, before the Committee on Banking and Currency. For myself, as a Representative from one of the States having now an excess of currency, I am ready at any time to do justice by a redistribution, whether it shall require $ 25,000,000 or $ 75,000,000 to be drawn from those who have now an excess by reason of their advantages in having capital at the time this currency was taken up.

The Results of Inflation.—In the United States, from 1830 to 1837, the bank-note circulation increased from $ 61,000,000 to $ 149,000,000, bank deposits from $ 56,000,000 to $ 127,000,000, and bank loans from $ 200,000,000 to $ 525,000,000. In 1837 the crash came. The rickety fabric, erected on the shifting basis of free banking and popular delusion, was swept from the earth like a West India village by a hurricane, and for six years business was prostrated throughout the Union, while the nation expiated its follies. In the beginning of 1843 the bank circulation had fallen to $ 58,564,000, the deposits to $ 56,000,000, and the loans to $ 254,500,000, and times remained "dull." Could anything be more suggestive than these figures? Bank circulation actually less in 1843 than in 1830, bank deposits the same, and bank loans but 25 per cent. greater, while $ 27,000,000 less than in 1837. These statistics are apt and seasonable just now, and are well worthy the consideration of the advocates of free banking and inflation everywhere, in and out of Congress.—*Phila. Ledger.*

THE VETO OF THE CURRENCY BILL.

MESSAGE OF THE PRESIDENT.

To the Senate of the United States:

Herewith I return Senate bill No. 617, entitled "An act to fix the amount of United States notes and the circulation of National banks, and for other purposes," without my approval. In doing so I must express my regret at not being able to give my assent to a measure which has received the sanction of a majority of the legislators chosen by the people to make laws for their guidance, and I have studiously sought to find sufficient argument to justify such assent, but unsuccessfully. Practically, it is a question whether the measure under discussion would give an additional dollar to the irredeemable paper currency of the country or not, and whether, by requiring three-fourths of the reserves to be retained by the banks and prohibiting interest to be received on the balance it might not prove a contraction; but the fact cannot be concealed that theoretically the bill increases the paper circulation $100,000,000, less only the amount of reserves restrained from circulation by the provisions of the second section. The measure has been supported on the theory that it would give increased circulation. It is a fair inference, therefore, that if in practice the measure should fail to create the abundance of circulation expected of it, the friends of the measure, particularly those out of Congress, would clamor for such inflation as would give the expected relief. The theory, in my belief, is a departure from the pure principles of finance, National interest, National obligation to creditors, Congressional promises, party pledges on the part of both political parties, and of personal views and promises made by me in my annual message to Congress and in each inaugural address.

In my annual message to Congress in December, 1869, the following passage appears: "Among the evils growing out of the rebellion and not yet referred to is that of an irredeemable currency; it is an evil which I hope will receive your earnest attention; it is a duty, and one of the highest duties of the government, to secure to the citizens a medium of exchange of fixed, unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should commence now, and be reached at the earliest practical moment consistent with a fair regard to the interest of the debtor class. Immediate resumption, if practicable, would not be desirable; it would compel the debtor

class to pay beyond their contracts the premium on gold at the date of their purchase, and would bring bankruptcy and ruin to thousands."

Fluctuations, however, in the paper value of the measure of all values of gold is detrimental to the interest of trade. It makes the man of business an involuntary gambler; for in all sales where future payment is to be made both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation as will insure a gradual return to specie payments, and put an immediate stop to fluctuations in the value of currency. I still adhere to the views then expressed. As early as December 4, 1865, the House of Representatives passed a resolution, by a vote of 144 yeas to 6 nays, concurring in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early resumption of specie payments as the business interests of the country will permit, and pledging co-operative action to this end as speedily as possible. The first act passed by the Forty-first Congress, the 18th day of March, 1869, was as follows: "An act to strengthen the public credit of the UNITED STATES," *Be it enacted*, *etc.*, that in order to remove any doubt as to the purpose of the government to discharge all its obligations to the public creditors, and to settle conflicting questions and interpretations of the law by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the UNITED STATES is solemnly pledged to the payment, in coin or its equivalent, of all the obligations of the UNITED STATES, and of all the interest-bearing obligations, except in cases where the law authorizing the issue of such obligations has expressly provided that the same may be paid in lawful money, or in other currency than gold and silver; but none of the interest-bearing obligations not already due shall be redeemed or paid before, unless at such times as the United States notes shall be converted into coin at the option of the holder, or unless at such time bonds of the UNITED STATES bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin; and the UNITED STATES also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin. This act still remains as a continuing pledge of the faith of the UNITED STATES to make provision at the earliest practicable moment for the redemption of the United States notes in coin. A declaration contained in the act of June 30, 1864, created an obligation that the total amount of United States notes issued should never exceed $ 400,000,000. The amount in actual circulation was actually reduced to $ 356,000,000, at which point Congress passed the act of February 4, 1868, suspending the further reduction of the currency. The forty-four millions have ever been regarded as a reserve, to be used only in case of emergency, such as has occurred on several occasions, and must occur when from any cause revenues suddenly fall below expenditures;

and such a reserve is necessary, because the fractional currency, amounting to $5,000,000, is redeemable in legal tenders on call. It may be said that such a return of fractional currency for redemption is impossible; but let steps be taken for a return to specie basis and it will be found that silver will take the place of fractional currency as rapidly as it can be supplied. When the premium on gold reaches a sufficiently low point, with the amount of United States notes to be issued permanently fixed within proper limits, and the Treasury so strengthened as to be able to redeem them in coin on demand, it will then be safe to inaugurate a system of free banking, with such provisions as to make compulsory redemption of the circulating notes of the banks in coin, or in United States notes, themselves redeemable and made equivalent to coin. As a measure preparatory to free banking, or for placing the Government in a condition to redeem its notes in coin, "at the earliest practicable moment," the revenues of the country should be increased so as to pay current expenses and provide for the sinking fund required by law, and also a surplus to be retained in the Treasury in gold. I am not a believer in any artificial method of making paper money equal to coin, when the coin is not owned or held ready to redeem the promises to pay, for paper money is nothing more than promises to pay, and is valuable exactly in proportion to the amount of coin that it can be converted into, which coin is not used as a circulating medium; or if the currency of the country is not convertible into it at par, it becomes an article of commerce as much as any other product. The surplus will seek a foreign market as will any other surplus. The balance of trade has nothing to do with the question. The duties on imports being required in coin creates a limited demand for gold, and about enough to satisfy that demand remains in the country to increase this supply. I see no way open but by the Government hoarding through the means above given, and possibly by requiring the National Banks to aid. It is claimed by the advocates of the measure herewith returned that there is an unequal distribution of the banking capital of the country. I was disposed to give great weight to this view of the question at first, but on reflection it will be remembered that there still remains four millions of dollars of authorized bank-note circulation, assigned to States having less than their quota, not yet taken. In addition to this, the States having less than their quota of bank circulation have the option of $25,000,000 more, to be taken from those States having more than their proportion. When this is all taken up, or when specie payments are fully restored, or are in rapid process of restoration, will be the time to consider the question of more currency.

U. S. GRANT.

Executive Mansion, April 22, 1874.

OUR CREDIT ABROAD.

LETTER FROM MR. GEORGE BANCROFT TO THE SECRETARY OF STATE.

American Legation, Berlin, December 22, 1873.

Sir: The President's message in full reached Berlin on Friday last. That part of it which related to foreign affairs has met with the most perfect and universal approbation that I have ever known accorded to a public document. The conduct of the UNITED STATES toward SPAIN and CUBA is acknowledged to be marked by strict respect for public law, by moderation, by mild forbearance, by dignity and firmness. There is no division of opinion on the subject in public or private circles.

The finances of the UNITED STATES are here the subject of the intensest interest, owing to the very large amounts which the Germans have invested in our National and other securities. The use of paper money in the UNITED STATES has led to many purely speculative undertakings, which have sought a market for their securities in this country. Between fifty and sixty separate securities —I think the exact number is fifty-eight—which sought and found a market here, have failed to pay their interest as it became due. This has had an unhappy effect upon the public financial opinion. Four years ago, this public believed the UNITED STATES were about to return without delay to a specie payment. As a consequence public confidence in our stocks was constantly on the increase. When such marvelously large payments of our debt were made, it was taken for granted that these payments would be accompanied by a return of the Government, through all its obligations, to specie payments, according to the pledge of the first act of the Forty-first Congress. Nations are here divided into those which have a forced paper circulation and those which have a specie basis, and the difference in the prices of the stocks of the two is amazingly great. Our six-per-cent. stocks were rising, and there was every reason to hope that the price would soon be far above par. The remoteness of the UNITED STATES had come to be thought lightly of, and there was even a rising belief that there was a peculiar safety attending their stock, resulting from the very fact that they stood apart from and beyond the reach of convulsions in EUROPE. There still remains unshaken confidence in their determination and in their ability to pay their bonded debt; but the seemingly indefinite postponement of the epoch when they intend to remove the use of force in keeping their notes in circulation seriously affects financial opinion. This change manifests itself in various ways. Where purchases

are made of stocks, those falling due first are most sought after by those who have safety in view, and there is less disposition to engage in any new loans which the UNITED STATES might be disposed to invite. You will not be surprised, therefore, when I say that the judgment of the President that we can never have permanent prosperity until a specie basis is reached is responded to here with absolute unanimity, coupled further with the idea which is, indeed, involved in the President's words, that we never can attain the credit which we have a right to hope for in the financial market of the world until that specie basis is reached.

The next point in our finances on which public opinion in GERMANY is perfectly unanimous is, in the language of the report of the Secretary of the Treasury which accompanies the President's message, that a constant increase of coin in the Treasury would, ere long, lead to the desired result. There is not one single well-wisher to the UNITED STATES in these parts that does not cordially welcome and approve that suggestion of the Secretary of the Treasury, and it is the absolutely unanimous opinion of all financial men. I hear it in all circles, from men of all political parties, but most earnestly expressed by those who are our truest friends, that the severest economy and an accumulation of gold in the Treasury can alone bring us back to specie payments, and they can do it and with less difficulty and less delay than are anticipated. As the country is constantly increasing in business it is the further universal belief here that the earlier the country returns to specie payment the less will the debtor class suffer.

Thus far I have given you a candid and exact statement of what is the universal financial opinion in this region. There is another suggestion of the Secretary of the Treasury, that there should be a gradual accumulation of gold in the banks, which meets with approbation wherever it has engaged attention. It is not every one who has turned his attention to that branch of the subject. But all who have given attention to it are of the opinion expressed by the Secretary on that point, and not as a temporary, but as a permanent measure.

I remain, sir, yours sincerely,

GEORGE BANCROFT.

CHARLES FRANCIS ADAMS ON THE CURRENCY.

April, 1874.

I have never entertained a doubt that Congress transcends its authority when it assumed the right to issue promises to pay money which it did not at the same time provide any means to pay—and then undertook to force the people to take them at a rate higher than they were really worth. Credit in trade depends upon the strict and punctual performance of agreements. Credit in general is the offspring of integrity. Nobody can make it at

pleasure. To expect then that a promissory note, known to carry a lie on its face, is going to be received as on an equal value with coin, is simply folly. Not all the laws that ever were made by the most absolute of military chieftains, nor all the force which could be applied to their execution, could ever make any sane man believe that a piece of paper promising to pay gold without performance of the promise, is of as much value as the gold itself. It follows, then, that the Congressional fulmination of legal tenders was no more than a rank absurdity. Everybody knows that this paper is not, and cannot be, worth the money which it promises, but does not pay. Everybody knows, too, that its actual value in the market depends upon the shifting accidents of trade. In point of fact it is seldom worth exactly the same sum for any two days together.

THE REDEMPTION OF COUNTERFEIT BONDS.

In the year 1867 Jay Cooke & Co. presented to the Assistant Treasurer of the United States eighteen $1,000 seven-thirty bonds for redemption. They were redeemed, but it was subsequently discovered that the bonds were counterfeit. The Government then brought suit in the United States District Court, for the recovery of the amount paid on the bonds, with interest. The Government maintained that the Assistant Treasurer, who acted in the matter, was empowered to redeem genuine bonds only, and that if, through mistake, he redeemed counterfeits the Government had the right to recover the amount paid on them. The defendants' case was that they presented the bonds in good faith, believing them to be genuine, and that the Government, having by the act of their officer passed upon the question of their genuineness, were bound by the act of their agent, and could not recover. On the trial of the cause Judge Blatchford ruled that neither the Secretary of the Treasury nor his assistant had any authority to pay money to the defendants on bonds that were not genuine, and that if money was so paid by mistake it could be recovered. He so charged the jury. The bonds were proven to be counterfeit, and the court directed a verdict for the Government. An appeal was taken to the United States Circuit Court, where Judge Woodruff, on May 13th, rendered his decision, affirming the ruling made by Judge Blatchford. The case will be taken to the Supreme Court of the United States for final review.

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1870, to May 1, 1874.

	January 1, 1870.	*January* 1, 1871.	*January* 2, 1872.	*January* 1, 1873.	*April* 1, 1874.	*May* 1, 1874.
INTEREST PAYABLE IN COIN:						
5-per-cent. Bonds	$ 221,589,300	$ 214,567,300	$ 214,567,300	$ 214,567,300	$ 194,827,300	$ 194,827,300
New Loan of 1871, 5 per cent.	....	....	96,997,650	200,000,000	314,416,150	314,974,950
6-per-cent. of 1881..........	283,677,600	283,678,100	283,681,200	283,681,350	283,681,350	283,681,350
6 per-cent. 5-20s	1,602,672,300	1,437,099,300	1,258,610,550	1,058,402,800	930,981,800	930,553,150
	$ 2,107,939,100	$ 1,935,342,700	$ 1,853,856,700	$ 1,756,651,450	$ 1,723,906,600	$ 1,724,036,750
INTEREST IN CURRENCY:						
6-per-ct. Bonds Pacific Railr'd	$ 64,135,320	$ 64,618,832	$ 64,618,832	$ 64,623,512	$ 64,623,512	$ 64,623,512
3-per-cent. Certificates	45,545,000	43,550,000	22,025,000	2,780,000	....	....
4-per-cent. Certificates	....	678,362	678,000	678,000	678,000	678,000
Navy Pension Fund, 3 per cent.	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
	$ 123,680,320	$ 122,847,194	$ 101,321,832	$ 82,081,512	$ 79,301,512	$ 79,301,512
ON WHICH INTEREST CEASED:						
Various Bonds and Notes ...	$ 4,140,936	$ 7,315,822	$ 1,739,938	$ 4,084,220	$ 6,852,800	$ 6,164,770
BEARING NO INTEREST:						
United States Notes.........	$ 356,113,098	$ 356,101,086	$ 357,592,801	$ 358,642,295	$ 382,076,837	$ 382,076,777
Fractional Currency	34,762,664	39,995,089	40,767,877	45,722,063	49,102,660	47,436,621
Gold Certificates of Deposit..	40,170,380	26,149,000	36,049,700	23,263,000	37,045,000	33,710,800
Currency do. do.....	....	....	....	25,370,000	51,720,000	51,860,000
	$ 436,046,142	$ 422,245,175	$ 434,419,378	$ 452,997,356	$ 519,944,497	$ 515,084,198
Aggregate Debt..............	$ 2,761,806,498	$ 2,487,750,892	$ 2,391,328,848	$ 2,295,814,538	$ 2,330,005,409	$ 2,324,587,230
Coin and Currency in Treasury	121,933,438	138,086,572	127,294,320	109,605,849	142,367,830	147,420,026
Debt, less coin and currency.	$ 2,549,873,060	$ 2,349,664,320	$ 2,264,034,528	$ 2,186,208,689	$ 2,187,637,579	$ 2,177,167,204

Coin in the Treasury, May 1, 1874, $ 90,301,952; Currency, $ 57,118,074; total, $ 147,420,026.

THE LAW OF CONTRACTS.

Special counts upon a subscription to capital stock—The dollar mark —Variance.

Supreme Court of ILLINOIS.

JACKSONVILLE, NORTH-WESTERN AND SOUTH-EASTERN RAILWAY Co. *v.* ISAAC H. BROWN. Appeal from MORGAN.

Opinion of the court by Mr. Justice MCALLISTER. Filed, January 15, 1874.

The declaration in this case contains two special counts upon a contract of subscription to the capital stock of appellant. In each count the contract is described as containing the ordinary dollar mark prefixed to the figures 500.00, set opposite to appellee's name. The contract offered in evidence had no such mark prefixed to these figures, or to any in the column; nor was there anything in the instrument to indicate that the sum set opposite appellee's name, meant so many dollars. When offered, the instrument was objected to as inadmissible, on the ground, amongst others, that there was a variance between it and the contract described. The court sustained the objection and excluded the evidence. It is insisted upon this appeal, that notwithstanding there was no dollar mark to indicate what the figures meant, still the appellant had the right to rely upon the recital or admission contained in the note set out in its last count, to establish the contract of subscription to the amount of five hundred dollars.

If appellant had declared in the *indebtitatus* counts, for calls or instalments due, as in PEAKE *v.* The Wabash Railroad Company, 18 ILL., 88, and proved the execution of the instrument, the indebtedness might have been established in that way. But here was a variance between the instrument described and that offered in evidence, which the recital in the note could not help out. The recital might aid in establishing a general liability if there had been any count in the declaration adapted to such a state of the case. But inasmuch as it does not refer to the contract described in the special counts, it is not a part of such contract, and if a part of it, then it should have been set out as such.

Finding no error in the record, the judgment of the court below must be affirmed.

BANKING AND FINANCIAL ITEMS.

A succinct history of current financial events is given under the head of "NOTES ON THE MONEY MARKET" in the present number, and is so to be continued hereafter. This department will be found of present, as well as of future, value to those who study the cause and effect of the influences of the day in their relation to monetary affairs; knowing that it is in finance, above all other sciences, that "history repeats itself."

A summary of the USURY LAWS of the several States and Territories will be published in our July number, the enactments of the past year being carefully revised. An epitome will follow of recent decisions of importance under each, with a review of the general spirit of interest laws.

It is intended that the forthcoming volume of the BANKER'S MAGAZINE, which begins with the July number, shall be found more than ever valuable to the banking community. To this end contributions from experienced pens will be encouraged, and the discussion of practical banking subjects, as well as of the principles of finance, will be made a prominent feature of the work.

INQUIRIES OF CORRESPONDENTS.—Several questions upon points of interest will be replied to in our next issue, being unavoidably deferred this month.

BANKER'S ALMANAC.—The third edition of the BANKER'S ALMANAC for 1874, is now ready, with additions and changes to May 15th. The rapidity with which the first two editions of this volume have been exhausted, evince the growing appreciation of its value and indispensability. A fourth edition will be issued towards September. Information of changes among banks and bankers, and suggestions for further additions to the usefulness of the Almanac are solicited and will be cordially appreciated.

THE RE-DISTRIBUTION OF NATIONAL BANK CIRCULATION.—The letter addressed to Representative BECK by Comptroller KNOX, (which we give in full on page 969,) calls the attention of Mr. BECK to his statement that the Comptroller had represented to the President that four millions of the National bank currency was not taken when there were one hundred and twenty-eight applicants for it. The Comptroller asks Mr. BECK to cause to be read in the House an extract from his last annual report, showing the difficulties in the way of the execution of the act of July 12, 1870.

He states that, under the act of July 12, 1870, the Comptroller is required, after the $54,000,000 are taken up, to make a requisition upon the banks of New York City, MASSACHUSETTS, RHODE ISLAND, and CONNECTICUT for $25,000,000, and if those requisitions are not complied with within one year thereafter, he is authorized to sell bonds and deposit legal tenders in the Treasury. But there is no provision in the act for the return of National bank currency to the Treasury for redemption, and the act is therefore inoperative and under its provisions no considerable amount of National bank currency would be returned for distribution for eighteen months after requisition is made. The Comptroller also asks that a copy be read of the letter addressed by him to Mr. PHELPS, of the Committee on Banking and Currency, on the 3d of February last, inclosing a bill which he prepared for the purpose of promptly withdrawing $25,000,000 of National bank circulation from the Eastern States, and distributing the same to the West and South.

The bill of the Comptroller requires National banks in the States named in the letter to Mr. PHELPS to deposit legal-tender notes on the excess of $300,000 of their circulation with the Treasurer, and requires the Treasurer,

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Assistant Treasurer, and depositories of the UNITED STATES to assort the circulation of these banks and return it to the Comptroller for destruction, and authorizes the Comptroller thereupon to surrender to the banks the bonds held as security for such circulation.

The circulation of notes of banks which failed and are in liquidation are also to be assorted and returned to the Comptroller for destruction, and immediately thereupon the amounts destroyed are to be re-issued to banks in the West and South. The Comptroller is confident that within sixty days after the passage of this act he can supply every application from the West and South for the next two years with the currency withheld from other States.

THE NATIONAL CURRENCY.—In future issues of greenbacks, by order of the Secretary of the Treasury, the words "United States legal-tender note" and "Treasury note" are to be omitted, and the title changed to "United States Notes," that being, in the opinion of Mr. RICHARDSON, the requirement of the law. The new $500 bill ready for issue this month will have a vignette of General MANSFIELD on the right, and on the left an elaborate vignette of Peace. The new $50 note will have a vignette of FRANKLIN and the Goddess of Liberty, the latter being considered a remarkable specimen of engraving. The new twenty-five cent note will conform in size to the new series, of which the ten and fifty cent notes are already in circulation, and will be issued as soon as the Treasurer makes a requisition for fractional currency of this denomination. Instructions have been issued for the immediate preparation of a vignette of CHARLES SUMNER.

NEW BANK NOTES.—W. B. HOTCHKISS, of New York City, exhibited to the Committee of the House of Representatives, an improved form of bank note, the adoption of which he claims would effect great saving in the wear and tear of the currency, besides adding to its artistic appearance. The main feature of the alleged improvement consists in rounding the corners of the note.

THE NEW YORK STOCK EXCHANGE.—The annual election for officers of the Stock Exchange, held May 12th, resulted as follows: President, GEORGE H. BRODHEAD; Chairman, M. A. WHEELOCK; Vice-Chairman, JAMES MITCHELL; Secretary, B. O. WHITE; Treasurer, D. C. HAYS. Governing Committee—To serve four years: H. G. CHAPMAN, A. B. BAYLIS, H. S. WILSON, WILLIAM COOPER, JOHN B. NORRIS, S. T. RUSSELL, A. M. CAHOONE, J. K. WARREN, M. NATHAN, J. WEEKS. To serve two years: J. L. BROWNELL, WILLIAM LUMMIS. To serve one year: J. V. BOUVIER, S. W. PATCHEN. Trustees of Gratuity Fund—To serve full term: A. CAMPBELL, (of WARD, CAMPBELL & Co.) To fill vacancy (J. R. GARLAND, resigned): WILLIAM ALEXANDER SMITH (of WILLIAM ALEXANDER SMITH & Co.)

THE NATIONAL TRUST COMPANY.—The trustees of the NATIONAL TRUST COMPANY, at 291 Broadway, elected on May 5th, the following officers for the ensuing year: D. R. MANGAM, President; T. W. SHANNON, First Vice-President; B. F. BANCROFT, Second Vice-President. Executive Committee—B. L. SOLOMON, J. R. CECIL, L. J. PHILLIPS, N. J. HAINES, GEORGE A. FELLOWS, E. C. COWDIN, S. S. CONSTANT, and J. L. MELCHER. T. C. CRUIKSHANK was appointed secretary.

THE CIRCULATION OF FALSE NEWS.—Governor DIX has signed the bill making it a misdemeanor to circulate false news for the purpose of influencing gold, or stocks, or bonds.

DIVIDENDS.—The aggregate of interest, dividends, and rents payable to lucky capitalists in New York, in the first half of May current, is estimated at nearly $40,000,000.

NEW BANKING FIRMS.—Messrs. M. K. JESUP, PATON & Co., succeed the old firm of M. K. JESUP & Co. The new house is composed of Messrs. MORRIS K. JESUP, JOHN PATON (late first agent BANK OF BRITISH NORTH AMERICA,) D. A. LINDLEY, and E. K. GOODNOW. They continue to do a general banking business, and to negotiate first-class securities.

Messrs. DUNCAN, MATHEWS & Co., of Philadelphia, have established a banking and commission house at 53 William Street, in this city.

REMOVAL.—The ATLANTIC SAVINGS BANK has removed to the corner of Bowery and Bond Street, and will hereafter be known as the BOND STREET SAVINGS BANK. The officers of the institution are HARRISON HALL, President; C. D. BAILEY, Treasurer; J. D. COOPER, Secretary.

Mr. CALEB F. COLES having resigned the cashiership of the CENTRAL NATIONAL BANK of this city, on account of impaired health, was upon his retirement presented by the clerks of the bank with a very handsome gold-headed cane as a mark of their friendship and good will. Mr. EDWARD SKILLIN, late assistant-cashier, has been promoted to fill the vacancy.

ARBITRATOR.—ENOCH L. FANCHER, ex-Judge, has been appointed arbitrator of the Chamber of Commerce under the new act of our State legislature to provide for the settlement of mercantile disputes. Judge FANCHER was educated for the ministry, but changed his profession to that of the law. He is a highly-qualified gentleman, and we have no doubt that he will properly combine gospel with law in his decisions.

COMPROMISE WITH CREDITORS.—Mr. CAPRON, of the firm of CAPRON & MERRIAM, brokers, who recently failed in consequence of their connection with the pool in the Chicago, Columbus and Indiana Central stock, has offered to pay a cash dividend of ten per cent., and ninety per cent. in two years from the 1st of June inst. It is understood that the creditors will accept the proposition.

ARKANSAS.—Messrs. NELSON & HANKS have established a banking house at Helena, and proffer their services to correspondents in a general banking and exchange business, especially for collections. Their New York correspondents are Messrs. HENRY TALMADGE & Co. The card of this firm will be found in the cover sheets of this magazine.

CALIFORNIA.—The appropriation for the San Francisco Mint for the current fiscal year having expired April 20th, and Congress not having made any provision for the deficiency, the Mint would have closed but for an arrangement made between the superintendent and the employees, that they should continue work until the fate of the Deficiency bill now before Congress is determined, upon the condition that should the bill fail to pass they will have no claim against the government. This agreement was signed by every employee of the Mint.

San Francisco.—Mr. F. F. LOW, (late U. S. Minister to CHINA,) has been appointed General Manager of the ANGLO-CALIFORNIAN BANK in place of Mr. R. G. SNEATH, retiring. The first year's business of this bank has been highly satisfactory, as shown at the shareholders' meeting in London mentioned on page 991.

DISTRICT OF COLUMBIA.—Mr. HOLMES E. OFFLEY and his brother, Mr. — OFFLEY, have established a banking firm in Washington City under the style of OFFLEY & Co. Their location is the corner of 15th and F Streets, opposite the Treasury Department. In addition to the ordinary business of banking this firm will undertake the collection of claims against the government, having ample facilities and familiarity with such matters. The senior partner was for the past seven years chief clerk of the Navy Department, and bears honorable testimony from the Secretary as to his business qualifications. The New York correspondents of the new firm are the METROPOLITAN NATIONAL BANK and Messrs. HALLGARTEN & Co. *(See their card on the cover of this work.)*

WASHINGTON.—Mr. JOHN SHERMAN, Jr., and Mr. H. D. COOKE, Jr., (both engaged hitherto with the Washington firm of JAY COOKE & Co.,) have formed a banking partnership under the style of SHERMAN & Co., at No. 1429 F Street, Washington. They refer to NATIONAL METROPOLITAN BANK, Washington, D. C.; the FIRST NATIONAL BANK, New York; GEORGE W.

STICKNEY, Actuary FREEDMEN'S SAVINGS AND TRUST COMPANY; JOHN C. BULLITT, Philadelphia, PA.; JOHN SHERMAN, Senator from OHIO.

ILLINOIS.—The MATTOON NATIONAL BANK, (No. 2147), was organized in May, with a capital of $ 50,000. President, WILLIAM B. DUNLOP; Cashier, JOSEPH H. CLARK.

BURNED MAIL.—The risk incurred by bankers, in the transmission of funds by mail, is seldom considered. That it is a serious one is shown by the disaster of which the Chicago *Tribune*, of May 6th, says: "The burning of the mail for New York, which left Chicago, on Saturday at 5.15 P. M., by the Pittsburgh and Fort Wayne Railroad, is a matter of serious inconvenience to our bankers and business men. The mail contained at least $ 2,500,000 of drafts, bills of exchange, and other remittances to New York. The drafts of large amount, of which there were several for $ 100,000, and those between banks, can be replaced without much difficulty, but to duplicate the smaller ones, and those bearing several indorsements, will take a great deal of time and trouble. Scores of letters were written by each of the larger banks to-day on this business, and fully six months will elapse before it is fully settled."

THE WESTERN PRESS ON THE PRESIDENT'S VETO.—The Chicago *Tribune* of May 13th publishes replies to a circular sent to the press of ILLINOIS, INDIANA, MICHIGAN, WISCONSIN, MINNESOTA, IOWA, KANSAS, MISSOURI and NEBRASKA, asking how each stood on the question of the President's Veto of the Currency bill. The summary shows that of the 933 papers answering the circular, 514 sustain the veto, 408 oppose it, and 11 are non-committal. INDIANA, MISSOURI, and KANSAS are the only States where the veto is opposed by a majority of the press.

STOLEN BANK NOTES.—The $ 5 notes of the OSAGE NATIONAL BANK, IOWA, should only be taken after scrutiny. Nine thousand dollars in $ 5 bills were stolen from the bank prior to being signed by the proper officers. The bank and the Comptroller of the Currency refuse to redeem these bills: The treasury numbers (top of right-hand corner) are 560,958 to 551,407. The bank numbers just over the Cashier's signature are all above 1,750—and these numbers afford the only means of detection.

MASSACHUSETTS.—Messrs. CHENEY & WAITE are transacting a banking and brokerage business at Orange, and solicit in our cover sheet the business of correspondents for that vicinity. Their Boston correspondent is the NATIONAL HIDE AND LEATHER BANK.

MICHIGAN.—THE FIRST NATIONAL BANK OF HANCOCK, (No. 2143), was organized in May, with a capital of $ 100,000. President, SETH D. NORTH; Cashier, EDGAR H. TOWAR. This bank succeeds the banking firm of E. H. TOWAR & CO. Their New York correspondent is the THIRD NATIONAL BANK.

Bay City.—The SECOND NATIONAL BANK, at Bay City, (No. 2145), was also organized last month, with a capital of $ 50,000: authorized, $ 100,000. President, WILLIAM WESTOVER; Cashier, WHEELER L. PLUM.

MISSOURI BOND REPUDIATORS IN ARMS.—The St. Louis *Republican* of May 12th says:

There is trouble in Greene County about the payment of interest on the bonds issued to the Memphis and Kansas City Railroad, and the people are endeavoring to find some way of escaping a debt, which, from all accounts they have themselves to blame for more than any one else. At a meeting held Monday of last week, they decided to make all possible lawful resistance to the payment, and for this purpose, to organize a committee in every township in the county to oppose the levy of taxes. A proposition was made that the citizens form a military organization to resist legal proceedings but this was not adopted. It seems that after the County Court first ordered the issue of the bonds, Hon. JOHN S. PHELPS and a few other cool-headed citizens showed the imprudence of the step, and prevailed on the Court to have the bonds which had been printed, burned. But a strong popular

clamor for the re-issue was made, and the Court, unwilling to resist the pressure, yielded and gave out the bonds. Hence the trouble. Among the persons who are now most violent against paying the debt are those who, in 1871, were loudest in favor of contracting it.

AMERICAN MANUFACTURES.—In no branch of our manufacturing interests is there now more successful competition with foreign makers than in that of the lead pencil. A once well-founded preference for the foreign article is no longer admissible, and is rapidly giving way under the excellence of the "American Graphite Pencil," manufactured by the DIXON Company of Jersey City. This perfection is unquestionably due to the superiority of American machinery as compared with the hand labor of EUROPE. For daily office use these pencils are highly satisfactory and for purposes demanding the finer grades are found still to excel. Among other encomiums, that of Mr. E. H. KNIGHT, of the U. S. Patent Office, is very distinct. His draughtsmen are using the GRAPHITE pencil for fine mechanical drawings with the utmost satisfaction and commend them highly.

NEW YORK.—The STATE BANK OF ONEIDA has been organized to succeed the FIRST NATIONAL BANK OF ONEIDA, now in liquidation. The officers are SAMUEL H. FOX, President; IRA SHEPARD, Vice-President; AUSTIN B. FRENCH, Cashier; J. H. R. WHITNALL, Assistant Cashier. The new bank commences business June 1st.

BANK FAILURE.—The FARMERS AND MECHANICS' BANK, of Rochester, THOMAS RAINES, manager, closed its doors May 19th. The failure of a heavy dry-goods house a few days previously is alleged to be the immediate cause. It is supposed that the assets will suffice to pay depositors in full.

OHIO.—The leading bankers and capitalists of Cleveland have sent a memorial to Congress, in which they make the following points: that the long-deferred action of that body, and the uncertainty of what action they will take, if any, has caused business to languish in all departments, and "a feeling of despondency, distrust, and apprehension has taken possession of the people;" that no relief is to be hoped for "until Congress shall permanently settle in some way the great question of money." And they propose that the reserves now held by the National banks be "unlocked"; that the deposits are safe without them; that the safety of deposits is a matter of business between the banks and the dealers, not requiring Government protection. On condition that Congress will release the banks from maintaining reserves, the signers of the memorial, who are bankers, will agree to hold a proportion of their coin interest until specie payments are resumed. They hold that the release of the bank reserves is the first and most natural step to secure more working currency without the sacrifice of safety or principle. Sixty-five millions of now dormant currency would be converted into active working money and distributed over the country in ratio of the capital of National banks, without increasing the liabilities of the Government one cent.

OHIO.—The FIRST NATIONAL BANK OF EAST LIVERPOOL, Columbiana County, (No. 2146), was organized in May with a capital of $50,000. President, DANIEL BOYCE; Cashier, F. D. KITCHEL.

RAISED CHECKS.—In the case of ESPY, HEIDELBACH & Co., *v.* the FIRST NATIONAL BANK of Cincinnati, just decided in the Supreme Court of the UNITED STATES, it is held that where money is paid on a raised check by mistake, neither party being in fault, the general rule is that it may be recovered back as paid without consideration. But that if either party has been guilty of negligence or carelessness by which the other has been injured, the negligent party must bear the loss. Whether the endorsement of the word "good," with the officer's initials, under such circumstances, would make the bank liable beyond the genuineness of the signature and the possession of funds to meet the check certified, is not here considered for decision. A verbal reply that a check is good might ordinarily be supposed to be in regard only to the signature of the drawers and the state of their account. We give this important decision in full on page 959.

Taxation of Deposits.—The CINCINNATI SAFE DEPOSIT COMPANY *v.* The County Auditor—Superior Court of Cincinnati, April, 1874. Before Judge YAPLE.—This was an application for an injunction to enjoin the taxation of $53,718, credits of the plaintiff, on the ground that its debts exceed largely these credits, the plaintiff claiming that the deposits made with it are in the nature of debts. The Court held that the plaintiff was not entitled to deduct these deposits from its credits, and rendered judgment for defendant, refusing the application for injunction.

Suspension.—The FIRST NATIONAL BANK of Medina suspended May 2. W. W. PANCOAST, the late cashier, is reported a defaulter in an amount not yet ascertained. The assets are considered sufficient to pay the deposits.

PHILADELPHIA.—It is announced that creditors of JAY COOKE & CO. will shortly receive a dividend of 5 per cent. and that a general settlement will be offered on the following terms: An additional dividend of 10 per cent. cash; 50 per cent. in the Northern Pacific 7 3-10 gold bonds, at 70 cents on the dollar; 18 per cent. in the Oregon Steam Navigation Company's stock, at 40 cents on the dollar; 7 per cent. in first mortgage bonds of the Lake Superior and Mississippi and other railroad companies, at from 70 to 75 cents on the dollar; and 10 per cent. in the 10-per-cent. income bonds of the Lake Superior and Mississippi Railroad Company, at 40 cents on the dollar.

PENNSYLVANIA.—The NATIONAL BANK of Schwencksville, Montgomery County, (No. 2142), was organized in April, with a capital of $50,000. President, JACOB G. SCHWENCK; Cashier, JOHN G. PRIZER.

TEXAS.—Messrs. PARKER & FLIPPEN are transacting at Bryan a general banking and exchange business. They offer in their card (see the cover sheets of this number) to attend especially to collections, their New York correspondents being Messrs. ALLEN, STEPHENS & CO.

VIRGINIA.—At a meeting of the stockholders of the CITIZENS' NATIONAL BANK OF CHARLOTTESVILLE and of the CHARLOTTESVILLE NATIONAL BANK, held April 27th, it was resolved to consolidate the two banks under one organization. For this purpose the stockholders of the CITIZENS' NATIONAL BANK voted that this institution go into liquidation. The name of the CHARLOTTESVILLE NATIONAL BANK will be retained, and the capital stock is to be $250,000. Mr. B. C. FLANNAGAN, Cashier, having resigned, Mr. W. W. FLANNAGAN was elected to fill the vacancy.

WEST VIRGINIA.—THE PEOPLE'S NATIONAL BANK OF MARTINSBURG, Berkley County, (No. 2144), was organized in May, with a capital of $50,000. President, SAMUEL BUSEY; Cashier, JOHN B. WILSON.

WISCONSIN.—A letter to the *Chicago Times*, dated Oshkosh, April 28th, says: "The village of Omro, fourteen miles east of this city, is in a ferment of excitement. A. H. HOWARD, Jr., the village banker, has taken French leave and $40,000 of his depositors' money with him. The defaulting banker has been a resident of Omro for the past twelve years, and was well-known and respected throughout the country as the junior member and general business manager of the flouring-mill firm of A. H. HOWARD & SON. Two years ago the son started the OMRO BANK, and from the fact that he offered ten per cent. interest on all deposits, and was universally esteemed as a man of exemplary Christian character and the purest morals, his customers were many and confiding."

The community must be a rural and inexperienced one in which any banker could offer "ten per cent. interest on all deposits" without exciting suspicion and distrust of his solvency.

THE PUBLIC DEBT OF GREAT BRITAIN is said to be in a very satisfactory state. For the first time since the great French war it stands at less than £780,000,000; and more than £51,000,000 of this sum represents the value of a series of temporary annuities, which will expire chiefly in 1885. The permanent debt of the country, then, amounts to about £728,000,000.

The Anglo-Californian Bank, Limited.—The second general meeting of shareholders was held in London, March 16th, the Hon. Hugh McCulloch in the chair. The report of the directors was submitted. It shows that "the capital called up was paid in the months of April, May, and June, 1873, and the bank commenced active operations on the 2d July following. The directors are glad to state that no bad debts have been incurred. The gross profits amount to £28,046 16s. 1d., and after deducting rebate of interest, all charges at the head office and the San Francisco branch, as well as writing off the whole preliminary expenses, there remains a net profit of £15,482 4s. 6d., being above ten per cent. on the paid-up capital, and out of this amount it has been resolved to declare an interim dividend of 8s. per share (being at the rate of eight per cent. per annum,) free of income tax, leaving £3,494 4s. 6d. to be carried forward to the new account. The interim dividend warrants will be duly issued. The increase of the trade and the general prosperity of the Pacific coast, and the State of California in particular, during the past year, as shown by the statistics of the exports of wheat, wool, precious metals, &c., have been remarkable, and the directors confidently anticipate a profitable and satisfactory result from the business of this bank for the current year." The chairman, in his presentation of the report, reminded the shareholders that "in the six months in which the bank had been engaged there had been a very severe panic in the United States; probably the most severe panic ever felt in that country. Fortunately for the bank, the panic had not very prejudicially affected San Francisco. The San Francisco folks' opinion as to currency differed from the opinions of American financiers in general; they still believed that specie was the proper circulation, or, at all events, the proper basis of the circulation; and while the managers of the bank there kept such really sound financial views, the shareholders need have nothing to fear in the way of financial disasters. (Cheers.) The directors had good reason to believe that their financial agents in San Francisco were exceedingly prudent men."

Canada.—The profits of the Bank of Montreal for the year ended 30th April were $2,072,540, out of which two dividends of eight per cent. have been declared, and the balance, about $184,000, carried to the credit of profit and loss, increasing the amount of that credit from $400,000 to $584,000. The profits of the previous year were $1,820,813, the increase being about a quarter of a million dollars.

La Banque Nationale.—This bank has had another prosperous year. After paying the usual dividends the large sum of $100,000 was added to the reserve, making that fund $325,000, or equal to 16¼ per cent. of the capital.

The Dominion Bank has established an agency at Cobourg, and has secured the business of the late Mr. Burn, successor to the Northumberland and Durham Savings Bank.

Molsons Bank has opened an agency in Smith's Falls, of which Mr. Thomas, late cashier of the bank at Brockville, is to have charge.

Cuban Finances.—Cuba is sadly distressed in her finances. The Captain-General has issued two decrees: one imposing a tax of 10 per cent. on all incomes over $1,000, to pay the public debt and to redeem the paper currency; the other provides that one-fourth of the duties and taxes shall be paid in gold until July 1, and after that, one-half, with a view to the resumption of specie payments.

NEW BANKS, BANKERS AND SAVINGS BANKS.

(Monthly List, continued from May Number, page 911.)

(Monthly List, continued from May Number, page 911.)

NEW YORK CITY.

William H. Duff, 15 Wall St.	Gillilan & Co., 22 Exchange Place.
H. L. Johnson.	E. S. Chapin & Co.
C. J. Osborne & Co.	M. K. Jesup, Paton & Co.
Wilmerding, Duer & Co.	Duncan, Mathews & Co.

Place and State.	*Name of Bank.*	*N. Y. Correspondent.*
Montgomery, ALA	E. Beecher & Co	Winslow, Lanier & Co.
Selma, "	C. Cadle, Jr	Kountze Brothers.
Boulder, COL.	Buckingham Bros.	Kountze Brothers.
Lakeville, CONN.	Robbins, Burrall & Co	First National Bank.
Wilmington, DEL.	Merrick, Johnson & Co	Glendinning, Davis & A.
Washington, D. C.	H. E. Offley & Co.	Metropolitan Nat. Bank.
" "	Citizens' National Bank	....
" "	Sherman & Co	First National Bank.
Rome, GEO	Bank of Rome	Ogden, Brower & Co.
Anna, ILLS	Charles M. Willard & Co.	Henry Clews & Co.
Augusta, "	Compton & Dexter	Bank of North America.
Bement, "	Bennett, Moore & Co	First National Bank.
Carlinville, "	Burke, Dubois & Chesnut	National Park Bank.
Chicago, "	Gerhard & Foreman	Central National Bank.
" "	People's Bank	First National Bank.
Marengo, "	Farmers and Drovers' Bank	N.Y. State Loan & Tr. Co.
Mattoon, "	Mattoon National Bank	....
Morrisonville, "	Maxon, Townsend & Co.	Importers & Traders' N.B.
Camden, IND	Camden Bank	St. Nicholas Nat. Bank.
Davenport, IOWA	German Savings Bank	*None.*
Sibley, "	Hill & Emmert	Preston, Kean & Co. Chic.
Elk Falls, KAN	L. L. Turner & Co.	Kountze Brothers.
Lexington, KY	Stone & Co	Bell & Smithers.
Russellville, "	Bank of Russellville	Ninth National Bank.
Rising Sun, MD	Rising Sun Banking Co.	Importers & Traders' N.B.
Bay City, MICH	Second National Bank	....
Hancock, "	First National Bank	Third National Bank.
Tecumseh, "	Bills, Lilley & Co's B. of Tecumseh	Ninth National Bank.
Anoka, MINN	Bank of Anoka	Chatham National Bank.
Belton, MO	J. N. Harges & Son	Donnell, Lawson & Co.
Marshall, "	Saline County Bank	Donnell, Lawson & Co.
St. Joseph, "	Merchants' Insurance Company,	Donnell, Lawson & Co.
Fairbury, NEB.	Thomas Harbine & Son	Donnell, Lawson & Co.
Kearney Junction, "	W. Dake & Co	Kountze Brothers.
Ogdensburgh, N. Y.	Egert & Hale	Metropolitan Nat. Bank.
Oneida, "	State Bank of Oneida	National Park Bank.
Toledo, OHIO	Rayner, Seagrave & Co	Merchants' Exch. N. B.
Richwood, "	Union County Bank	Market National Bank.
East Liverpool, "	First National Bank	....
Zanesville, "	C. W. Potwin & Co.	Manhattan Bank.
Pittsburgh, PA	St. Clair Banking Company	American Exch. N. Bk.
Tionesta, "	May & Kelly	Importers & Traders' N.B.
Wilkesbarre, "	Joseph Brown	Henry Clews & Co.
Salt Lake City, UTAH.	Walker Brothers	Laidlaw & Co.
Liberty, VA	Liberty Savings Bank	Union National Bank.
Martinsburg, W. VA.	People's National Bank	....

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from May No., page 912.)

MAY, 1874.

Banks are requested to furnish prompt notice of any future changes.

Name of Bank.	*Elected.*	*In place of*
N. Metropolitan B., Wash'gton, D.C.	J. W. Thompson, *Pres.*	John B. Blake.
State National Bank, Atlanta, GEO.	Campbell Wallace, *Pres.*	James M. Ball.
State Sav. Institution, Chicago, ILL.	A. D. Guild, *Cash.*	Chas. D. Bickford.
First National Bank, Alton, "	Wm. H. Mitchell, *Pres.*	Isaac Scarritt.
First National Bank, Henry, "	Wm. T. Law, *Pres.*	Thos. L. Davis.
" " " "	Chas. R. Jones, *Cash.*	W. T. Law.
Monmouth N. B'k, Monmouth, "	A. H. Harding, *Cash.*	Claudius Jones.
First National Bank, Olney, "	Henry Marshall, *Cash.*	Andrew Darling.
First Nat. B'k, Fort Dodge, IOWA.	E. G. Morgan, *Pres.*	C. B. Richards.
First National Bank, Osceola, "	W. G. Kennedy, *Cash.*	M. W. Messinger.
First Nat. Bank, Davenport, "	Jas. Thompson, *Pres.*	Hiram Price.
Iowa National Bank, Ottumwa, "	Chas. G. Blake, *Pres.*	L. W. Vale.
First National Bank, Fairfield, "	Geo. D. Temple, *Cash.*	Samuel C. Farmer.
Citizens' Nat. B'k, Des Moines, "	J. A. Elliot, *Cash.*	John W. Ulm.
Kansas Valley Bank, Topeka, KAN.	T. L. King, *Pres.*	Chet. Thomas, Jr.
Lawrence Sav. Bank, Lawrence, "	John K. Rankin, *Pres.*	Andrew Terry.
Burlingame S. B., Burlingame, "	Levi Empie, *Pres.*	P. Sheldon.
Valley B. & S. I., Grassh'per Falls, "	M. P. Evans, *Cash.*	J. F. Crawford.
B'k of Russellville, Russellville, KY.	Albert G. Rhea, *Pres.*	R. C. Bowling.
Second Nat. Bank, Baltimore, MD.	I. H. Bawden, *Act'g-Cash.*	*J. W. Randolph.
Cumberland N. B., Portland, ME.	A. Conant, *Pres.*	W. F. Milliken.
First National Bank, Auburn, "	John B. Jordan, *Cash.*	Wm. Libby.
First Nat. Bank, Amherst, MASS.	L. D. Hills, *Pres.*	C. Bridgman.
Northampton N. B., N'thampton, "	Oscar Edward, *Pres.*	*E. Williams.
" " " "	John Whittelsey, *Cash.*	*J. L. Warriner.
Massachusetts Nat. B'k, Boston, "	Henry A. Rice, *Pres.*	John J. Dixwell.
Grand Rapids S. B., Gr. Rapids, MICH.	Geo. R. Allen, *Cash.*	M. W. Bates.
First National Bank, Hillsdale, "	F. M. Stewart, *Cash.*	H. J. King.
First National Bank, Ypsilanti, "	Isaac N. Conklin, *Pres.*	Edgar Bogardus.
First Nat. Bank, Rochester, MINN.	Walter Hurlbut, *Cash.*	Thomas H. Titus.
Iron Mountain B'k, St. Louis, MO.	N. J. Larimore, *Pres.*	R. W. Ulrici.
Franklin Sav. Institut'n, " "	Chas. F. Meyer, *Pres.*	C. Taussig.
Merchants' Nat. Bank, " "	Robert Eagle, *Cash.*	James E. Yeatman.
Bank of Commerce, " "	Henry S. Reed, *Pres.*	Feiix Coste.
Banking & Sav. Ass., Brownsville, "	Wm. Owens, *Pres.*	Wm. L. Hawkins.
Moniteau Nat. Bank, California, "	S. H. Owens, *Pres.*	Wm. Folks.
Hannibal Sav. Bank, Hannibal, "	J. L. Lathrop, *Cash.*	Wm. A. Hunt.
Joplin Savings Bank, Joplin, "	H. G. Goodman, *Cash.*	Wm. H. Graves.
Kansas City S. Asso., Kansas City "	J. B. Bell, *Pres.*	Thos. A. Smart.
Bank of St. Joseph, St. Joseph, "	R. P. Richardson, *Cash.*	Wm. C. Wells.
Lancaster Co. Bank, Lincoln, NEB.	A. J. Cropsey, *Pres.*	J. W. Hartley.
" " " " "	F. E. Atwood, *Cash.*	J. S. Atwood.
Wayne Co. Nat. Bank, Wooster, O.	H. Armstrong, *Pres.*	R. R. Donnelly.
First National Bank, Butler, PA.	Chas. Duffy, *Pres.*	Chas. McCandless.
First Nat. Bank, Newtown, "	Samuel C. Case, *Cash.*	S. Carey Ball.
York National Bank, York, "	Henry Welsh, *Pres.*	*Jacob Hay.
Charlottesville N. B., Charl'sville, VA.	W. W. Flannagan, *Cash.*	B. C. Flannagan.
First Nat. B. of Jefferson, Charlestown, W. VA.	Edward Tearney, *Pres.*	*C. C. Porter.

* Deceased.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from May No., page 914.*)*

NEW YORK CITY.

Capron & Merriam.
Holberg & Gillilan.
R. Manley & Co.
Duff & Tienkin.
Johnson & Fuller.
Osborn & Chapin.

GEORGIA.—Cothran & Jackson, *Rome.*

ILLINOIS.—Greenebaum & Foreman, *Chicago;* Chesnut & Dubois, *Carlinville,* (succeeded by Burke, Dubois & Chesnut); Gallatin National Bank, *Shawneetown (closing);* A. W. Gilmore, *Chicago;* Twenty-second Street Bank, *Chicago;* Wilson Brothers, *Onargo;* Townsend & Co., *Morrisonville,* (now Maxon, Townsend & Co); Dexter, Newcomb & Co., *Augusta,* (now Compton & Dexter); A. A. West, *Geneva.*

KENTUCKY.—Russellville Banking and Warehouse Co., *Russellville,* (now Bank of Russellville); Washington Bank, *Springfield.*

LOUISIANA.—American Cotton and Banking Co., *Shreveport.*

MARYLAND.—Citizens' National Bank, *Hagerstown,* (removed to Washington, D. C.); Evans, Wood & Co., *Rising Sun,* (succeeded by Rising Sun Banking Co.)

MICHIGAN.—E. M. Hipp, *Bangor,* (succeeded by J. E. Sebring & Co.); National Bank of Tecumseh, (succeeded by Bills, Lilley & Co's Bank of Tecumseh.) E. H. Towar & Co., *Hancock,* (succeeded by First National Bank.)

MISSOURI.—S. A. Gaylord & Co., *St. Louis;* Cordell & Montagu, *Marshall,* (now Saline County Bank); J. A. Sterling & Bro., *Lebanon;* Traders' Bank, *St. Louis.*

NEBRASKA.—Dake, Andrews & Co., *Kearney Junction,* (succeeded by W. Dake & Co.); Stone & Easley, *Rulo.*

NEVADA.—Wells, Fargo & Co., *Gold Hill;* Agency Bank of California, *Hamilton;* Agency Bank of California, Wells, Fargo & Co., *Treasure City.*

NEW YORK.—H. W. Burt & Co., *Buffalo,* (now H. W. Burt); First National Bank, *Oneida,* (succeeded by State Bank of Oneida); C. G. Egert & Co., *Ogdensburgh,* (now Egert & Hale.) Farmers & Mechanics' Bank, *Rochester, (failed.)*

OHIO.—J. A. Thoman & Co., *Crestline;* First National Bank, *Medina, (suspended);* Rayner & Seagrave, *Toledo,* (now Raynor, Seagrave & Co.); Walker, Leslie & Co., *Church Hill.*

PENNSYLVANIA.—George Anderson & Co., *Scranton,* (succeeded by Lackawanna Valley Bank); Brown & Gray, *Wilkesbarre,* (now Joseph Brown.)

TENNESSEE.—Richland Savings Bank, *Pulaski.*

VIRGINIA.—Citizens' National Bank, *Charlottesville,* (consolidated with Charlottesville National Bank.)

WEST VIRGINIA.—People's Deposit Bank, *Martinsburg,* (succeeded by People's National Bank).

WISCONSIN.— A. H. Howard & Co., *Omro, (failed.)*

WANTED—A NEW SECRETARY OF THE TREASURY.

If the tithe of what we hear be true, President GRANT is on the look out for a new Secretary of the Treasury. The people, we know, are on the same search. It is a very anxious search, beset by many difficulties. There are self-offering candidates by the score, by the hundred. There are ten thousand wanting the place for the salary. But the President is not partial to self-seeking men. He wants a man of brains and modesty combined—a combination most rare. The civil service is not able to produce it. Where is this man? That he is about, somewhere, is certain. There never was a place yet on earth to be filled, but that earth has the man to fill it; this is the theory of the universe. Now, where is this to-be-Secretary of the Treasury? Heretofore, when a man of extraordinary abilities was wanting, it proved successful in some instances to look for him where he was least likely to be found—and to find him where it was least suspected that he could exist. Has that unique method been exhausted, and has it failed?—Alas!

There are, it must be confessed, difficulties in the way of a new proposed man that are very formidable. As soon as his name goes into the Senate that body stands ready to tear him all to bits. It is a monstrous body—a sort of Devil-Fish, with vast arms spread out ready to clasp round the unfortunate victim, and to squeeze every drop of juice out of him. We pity the poor fellow who is to go to that ordeal. Seventy-six wise men, with all their knowledge of currency, specie, banking, redemption and exchange, tied up in one knot, and this knot to come down on the devoted head of the vain aspirant to Treasury fame—what human skull could stand such a blow? He must be crushed at once. The more the Senate knows, the worse for him; and the less the Senate knows, still the worse. One fool (says the Bible) may ask questions which seven wise men cannot answer. Is it supposable that the Senate would concur, if the President should find his man, unless he be an inflationist? If HAMILTON could revisit us would his name be acceptable to such a body?

Here, then, is a danger hedged about by difficulties. The Senate, it has been announced, will subject the nominee to such an inquest that the sight of the coroner shall be welcome to him. We may imagine what questions would be put to him: "Are you in favor of contraction; would you liberate the $44,000,000 of legal-tender notes; would you advocate an irredeemable paper-money measure of value; would you endeavor to bring the country to specie payments?" and so forth. It would be unfortunate if the nominee should turn upon his inquisitors, and ask: "What do you mean by specie payments?" Able as many members of the Senate are, accomplished as they are in the practice of common law and in jurisprudence, we have seen no evidence in all their reported debates that they possess the peculiar kind of knowledge necessary to answer this simple question. The general idea in Congress seems to be that to get at specie payments and maintain them it is necessary only to convince the people that we have the gold in hand; a pretty hard thing to do

when we have it not. When they know they can get it, they will not want it—that is the formula.

It is extraordinary that the bottom stone of the whole argument relating to specie payments has not once been referred to during the present session of Congress—that is the relation between our exports and imports. "Finance" said the late Chancellor of the British Exchequer, Hon. W. E. GLADSTONE, "is the great work of commercial legislation." But to pursue this line of remark would lead off from the main point at which we aim. We can do no more at present than to call attention to the difficulties which surround the matter of getting a new Secretary of the Treasury. It has been several times repeated that "the right man" had been found in PENNSYLANIA; but the President has been reported as saying, that this State has had its full share of Federal officers already—an intimation that he was looking elsewhere. Of itself, this is no reason why a citizen of PENNSYLVANIA should not be selected for the place, if he possess the qualifications required. Let us have the right sort of brains and accomplishment, irrespective of every other consideration, save honesty.

The political fortuities of our Treasury department have been very unfavorable to the development of any permanent financial policy. To this original source we may doubtless attribute, in no small degree, the chaos which has characterized that department of the government for many years past. Our National treasury was established in 1789. It has been in existence about 85 years; and during all that time, the City of New York, which is the great school of finance in the country, has furnished but one Secretary—ALEXANDER HAMILTON. The administration of the finances has been divided as follows between the States:

Pennsylvania.................	7	Secretaries,	occupying	24	years,	3	months.
Georgia......................	2	"	"	12	"	6	"
New York.....................	2	"	"	6	"	8	"
Connecticut..................	1	"	"	6	"	-	"
New Hampshire................	1	"	"	6	"	9	"
Ohio.........................	3	"	"	5	"	9	"
Massachusetts................	3	"	"	6	"	-	"
Kentucky.....................	2	"	"	4	"	9	"
Mississippi..................	1	"	"	4	"	-	"
Indiana......................	1	"	"	4	"	-	"
Delaware.....................	1	"	"	1	"	10	"
Maryland.....................	1	"	"	-	"	9	"
Tennessee....................	1	"	"	-	"	8	"
Maine........................	1	"	"	-	"	6	"
				84	"	5	

It is apparent, at a glance, that the appointments to this most important department of the government have been made, generally, on political grounds. ALBERT GALLATIN, an exception, was Secretary from December 31, 1800, to February 9, 1814, when he was appointed one of the peace commissioners to Ghent. He subsequently became a citizen of New York.

[The statistics above are derived from the sheets of an unpublished work on Finance by Mr. J. S. GIBBONS of this city.]

NOTES ON THE MONEY MARKET.

NEW YORK, MAY 22, 1874.

Exchange on London, at sixty days' sight, 4.87½ *a* 4.88½ *for gold.*

Never was the fable of the mountain in labor more fully exemplified than by the action of Congress on the finances. All its debates, bills, amendments, which have been continued with scarcely a day's remission since its assembling in December, have come to nothing—they have brought forth not even a *mouse!* We had time only, in our May No., to announce the President's veto of the Senate expansion bill, and to express our opinion in accordance with the accompanying "reasons" which were returned to Congress. We have now to add that the President is supported by the almost unanimous voice of the country. The defeat of the expansion policy was so manifest and overwhelming that it should have deterred the Senate from any renewed action "on that line"; but after voting by 34 against 30 that the bill should not pass over the veto (a decidedly Hibernian way of putting the question, since it was the *power* and not the *will* that was wanting,) the Senate went forthwith to work and framed another bill, containing the same objectionable feature, which it has passed and sent to the House, where, if the members are sensible, it will be killed, and not remitted to the President for another veto.

In what was called his "great speech," Senator Schurz showed the absurdity of legislating to keep currency confined to any particular section of country. In fact, this is a perfectly stupid effort on the part of Congress. The new bill proposes, among other things, to recall circulation from certain States and give it to others. It might as well, as the Missouri Senator said, pour water on the top of a hill and expect it to remain there. If the theory were true, the mass of legal-tender notes ought to have been issued in every State of the Union in order to be of any use to the country. It is astonishing that the Banking and Currency Committee waste time on such idle propositions! Why not go to the root of the matter at once, and apportion the bank currency, so much to every shop in the country that it may remain there, and we shall no longer hear complaints of deficiency of currency? Unfortunately for the Congressional and Currency bureau theory, industrious, hardworking and shrewd people have a way of getting possession of money and keeping it in active service where it is most wanted; and sections of country do the same thing. So long as this kind of human nature exists there will still be people and communities crying out for the issue of more currency!

Members of Congress need enlightenment on one point, where they are much misled by the daily papers. They see the rates of interest on loans quoted in Stock reports as ranging from 2 to 4 per cent., and thence conclude that there is a monstrous accumulation of money in the "great centres;" wherefore they tax their ingenuity to scatter this money abroad in the rural districts. Let them know what every broker's clerk in Wall street knows—that there is no accumulation whatever of money indicated by those low rates. They mean this and no more—that a broker can take a million of U. S. bonds to a bank, and borrow *a credit* on the books against which he may draw his checks that day; but he must redeem that credit on the next day. The bank of which he borrows may have not one dollar of bank-note circulation on hand,

but it has a surplus deposit made by its customers, the credit established by which will lie idle and totally unproductive, if not loaned out. Accordingly it makes the loan at two or four per cent. and posts from three to six hundred dollars to profit account! We know of a case within the week, in which one of our heaviest banks declined to discount "fire-proof" commercial paper at the full bank rate of 7 per cent. per annum, but loaned its credit "in the same breath" at 2 per cent. per annum for the one day: Hence we quote—

Bank rates of interest at 7 per cent. per annum.
Brokers' loans for one day 2 per cent. per annum.

One of our leading bank Presidents, Mr. John Earl Williams, of the Metropolitan Bank, has addressed a letter to the Hon. John Sherman, Chairman of the Finance Committee of the Senate, entitled, "Short road to specie currency." He proposes that Congress shall "assume at once, the inherent, sovereign prerogative of the Government, by furnishing all the inhabitants of the United States with a uniform National currency, which shall be issued in redemption of the present bank currency." Being substitution, this is neither contraction nor expansion. The government must then purchase the present mass of hypothecated bonds, paying for them in the new issue. The bank circulation is thus to be retired at the rate of 25 per cent. a year, completing this part of the process in four years. The Government must accumulate 150 millions of gold, selling five-per-cent. bonds for that purpose, if necessary. Then the new notes and the legal-tenders must be redeemed on demand in specie, whenever presented at the Treasury office in New York. To secure elasticity in the currency, the Government must issue a convertible and re-convertible bond—(to suck up money in surplus, and eject it in deficiency). Mr. Williams resigns all advantage of circulating notes, not deeming this function essential to sound and prosperous commercial banking. The only thing to be redeemed being the government currency, there can be no suspension hereafter on the *deposits*, which must rest between the bank and the dealer. The eminence of Mr. Williams, as a financial manager, and his long experience, entitle his plan to respectful consideration, which we doubt not it will receive.

The revelations of intrigue and imposture connected with the revenue contracts, which have been so long before the Committee of Ways and Means, have produced a temperature of fever heat in some official quarters, and Secretary Richardson and his subordinates are menaced by action of a censorious kind. On Wednesday, the 20th, the Committee adopted a resolution offered by Mr. Kasson, and instructed Mr. Foster to append it as a supplement to the report to the House of Representatives on the Sanborn contracts. We shall give the resolution in full in another page, if it is received before we get to press. It says, in substance, that the laxity and carelessness shown by Secretary Richardson, Assistant-Secretary Sawyer and Solicitor Banfield, in administering their duties, make it proper that the House of Representatives should put its censure of those officers on record. A copy of the resolution was ordered to be sent to the President.

The new financial bill now waiting the action of the House of Representatives has little in it to inspire the hope that an effective measure of any sort will pass Congress at its present session. We are prepared to see the subject "slide over" into the next session, covered all up with doubts, uncertainties, imbecilities and inscrutabilities. Mr. Sherman gave no impetus to it in the elucidation of its provisions before the Senate. Judging from his manner and tone, and from the manner and tone of the body he addressed, the object of the bill might have been to reconstruct an old school-house, or to build a dam across a mill stream, or something else of no more consequence. The spirit of the Senate was worn out. It manifestly did not believe there was anything in the bill. Mr. Sherman said that "the central idea" of it was "to make the business of banking free and open to all upon the same terms and conditions." He said he was "willing to give it a trial—it was an experiment. The question was not one of security on the notes; but when would the notes be paid. He would never vote for free banking without redemption." If the Government would at once assume the issue of all the currency in the United States, it would save about $ 13,000,000 in interest, and lose $ 18,000,000 in taxes. "Government notes," said Mr. Sherman, "have not that quality of flexibility which is indispensable to a circulating medium. Government cannot move the crops, nor lend money, nor enter into the business of banking."—Yet it is true that Government, by its policy or its want of policy, exerts an influence over all the labors and employments of the country.

Gold has ranged from 112⅛ to 113⅛, closing May 20th at the former price.

An uncertain term in the fluctuations of the gold market is created by the default of railroads to pay up their coupons due in Europe. The sum now due is given at considerably above ten million dollars; and it has a quality of *progression*, which adds to its weight prospectively.

The loans of the New York City banks have fallen off about nine millions, and the deposits near two and a-half millions; while the specie has increased four millions and the legal tenders two millions.

1867.	*Loans.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*	*Weekly Clearings.*
Jan. 5	$257,852,460	$12,794,892	$65,026,121	$32,762,779	$202,533,564	$466,987,787
Jan. 4, '68	249,741,297	12,724,614	62,111,201	34,134,391	187,070,786	483,266,304
Jan. 4, '69	259,090,057	20,736,122	48,896,421	34,379,609	180,490,445	585,304,799
Jan. 3, '70	250,406,387	31,166,908	45,034,608	34,150,887	179,129,394	399,355,375
July 4	276,496,503	31,611,330	56,815,254	33,070,365	219,083,428	562,736,404
Jan. 2, '71	263,417,418	20,028,846	45,245,358	32,153,514	188,238,995	467,692,982
July 3	296.237,959	16,526,451	71,348,828	30,494,457	243,308,693	561,366,458
Jan. 1, '72	270,534,000	25,049,500	40,282,800	28,542,800	200,409,800	561,802,964
July 1	289,002,800	22,795,500	54,951,400	27,416,100	232,387,900	485,973,837
Jan. 6, '73	277,720,900	19,478,100	41,165,400	27,613,800	203,808,100	642,834,841
April 7	273,534,000	15,664,400	34,940,500	27,715,800	187,687,000	780,498,463
July 7	286,905,800	33,551,400	48,168,000	27,276,200	232,369,400	478,571,386
Sept. 1	288,883,000	23,095,200	44,729,300	27,281,900	220,390,300	447,799,948
Dec. 8	252,373,500	21,158,600	38,214,000	27,186,100	182,015,300	419,721,752
Jan. 5, '74	261,135,400	28,395,600	46,458,100	27,186,300	205,399,500	361,517,913
Feb. 2	269,995,800	33,342,100	58,877.700	26,898,800	233,119,800	422,936,392
Mar. 2	282,555,700	26,488,300	61,915,000	26,775,100	239,864,300	333,261,105
April 6	291,113,700	24,045,600	56,983,100	26,804,600	237,491,400	431,323,311
" 27	288,423,500	23,336,400	54,739,600	26,901,600	234,486,700	527,357,343
May 4	286,574,300	24,639,600	55,833,000	26,889,600	234,401,500	491,427,114
" 11	286,503,600	27,305,500	55,798,000	26,922,200	236,236,700	478,458,934
" 18	284,587,500	27,301,600	57,100,300	26,923,900	236,395,000	430,272,446

In Boston, as in New York, the offerings for discount are comparatively small, and the banks are buying paper on the street. Their returns compare with former dates as follows:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 6, 1868	$94,969,249	$1,466,246	$15,543,169	$24,626,559	$40,856,022
Jan. 4, 1869	98,423,644	2,203,401	12,938,342	25,151,340	37,538,767
Jan. 3, 1870	105,985,214	3,765,347	11,374,559	25,280,893	40,007,225
Jan. 2, 1871	111,190,173	2,484,536	12,872,917	24,662,209	46,927,971
July 3	119,152,159	1,441,500	13,117,482	24,816,012	50,693,067
Jan. 1, 1872	115,878,481	4,469,483	9,602,748	25,715,976	46,994.488
July 8	112,164,800	2,740,100	9,471,800	24,877,000	48,875,500

The deposits after this date include the amount due to other banks.

Jan. 6, 1873	122,872,700	2,075,400	11,122,500	25,614,400	74,113,500
April 7	120,001,600	922,600	8,939,300	25,519,400	64,623,200
July 7	122,947,000	1,935,400	11,267,600	25,487,700	73,218,900
Sept. 1	123,417,600	1,121,500	10,733,200	25,490,200	68,625,500
Nov. 3	119,788,400	1,849,400	9,045,400	26,139,100	59,399.200
Jan. 5, 1874	124,287,100	3,513,800	10,466,300	25,791,600	70,219,200
Feb. 2	125,276,300	4,244,300	11,244,400	26,641,900	73,374,100
March 2	126,491,900	3,481,600	10,904,000	25,567,600	75,969,000
April 6	127,896,700	3,123,600	10,564,100	25,460,300	79,330,200
" 27	126,475.500	2,844,300	10,417,500	25,502,600	76,280,300
May 4	126,615,900	2,806,300	10,515,200	25,606,900	76,460,400
" 11	125,627,500	2,999,200	10,193,600	25,431,100	75,466,200
" 18	125,949,600	2,901,600	10,309,600	25,439,900	76,460,900

In Philadelphia the money market is quiet and dull. We annex the weekly exhibit of the banks of that city and its comparison with the statements of past years:

	Loans.	*Specie.*	*Legal Tenders.*	*Circulation.*	*Deposits.*
Jan. 4, 1868...	$ 52,002,304	$ 235,912	$ 16,782,432	$ 10,639,000	$ 36,621,274
" 4, 1869...	50,716,999	252,483	13,210,397	10,593,719	38,121,023
" 3, 1870...	51,662,662	1,290,096	12,670,198	10,568,681	38,890,001
" 2, 1871...	51,861,827	1,071,528	12,653,166	10,813,212	38,660,403
" 1, 1872...	55,631,723	1,069,585	11,228,988	11,348,851	42,049,757
July 1, " ...	59,659,324	228,338	13,952,002	11,345,868	50,021,793
Jan. 6, 1873...	55,370,011	424,458	10,576,155	11,331,579	40,861,114
Feb. 3, " ...	57,062,437	352,775	10,599,532	11,370,253	42,120,451
April 7, " ...	57,075,617	130,936	9,663,471	11,475,119	40,124,310
July 7, " ...	60,480,403	322,626	14,513,757	11,431,847	48,200,545
Sept. 1, " ...	59,317,093	208,580	13,348,119	11,454,680	45,089,892
Nov. 24, " ...	58,194,000	959,000	14,741,000	11,519,000	45,847,000
Jan. 5, 1874...	57,772,523	1,173,796	15,353,571	11,481,558	48,378,204
Feb. 2, " ...	57,170,073	1,002,109	17,530,254	11,450,353	48,618,062
Mar. 2, " ...	57,021,443	736,417	17,372,230	11,449,506	47,131,169
April 6, " ...	60,298,626	551,936	15,528,478	11,522,121	47,411,234
" 27, " ...	58,191,689	388,783	15,955,097	11,522,107	47,728,340
May 4, " ...	59,193,258	377,919	16,131,746	11,501,030	[illegible]8,257,660
" 11, " ...	58,946,082	372,463	16,697,581	11,514,947	4[illegible]108,971
" 18, " ...	58,993,978	328,251	16,806,606	11,481,142	4[illegible]550,469

DEATHS.

In New Orleans, on Thursday, April 22, aged seventy years, Samuel Jones, formerly President of the Western Bank of Baltimore.

In Charlestown, Jefferson County, West Virginia., on Monday, April 27th, aged sixty-two years, Colin C. Porter, President of the First National Bank at Charlestown.

In Newark, N. J., on Tuesday, April 28, aged sixty-four years, Enoch Plummer, formerly Cashier of the Shoe and Leather Dealers' Bank of Boston.

In York, Pa., on Wednesday, April 29th, aged seventy-two years, Jacob Hay, Sr., President of the York National Bank.

In New York City, on Friday, May 1, Thomas Eakin, of the banking firm of Thomas Eakin & Co., Nassau Street, formerly of Nashville, Tennessee.

In Baltimore, Md., on Sunday, May 3d, aged sixty-six years, John W. Randolph, Cashier of the Second National Bank, of Baltimore.

In Philadelphia, on Sunday, May 3d, aged sixty-four years, Robert Morris, President from 1857 to 1867, of the Commonwealth National Bank.

In Quincy, Ill., on Monday, May 4th, of consumption, Clark H. Charles, late Cashier of the Union Bank of Quincy.

In New York, on Saturday, May 23d, aged sixty-six years, Isaac Smith Homans, founder, and editor for twenty-eight years, of the Banker's Magazine.

POSTSCRIPT.

This number completes the twenty-eighth volume of the Banker's Magazine, and ends the editorial labors of its founder, I. Smith Homans, who died at his residence, in New York city, Saturday night, May 23d. A severe nervous prostration had for several weeks compelled Mr. Homans to desist from active editorial work, but the acute illness which has thus resulted was of only a week's duration.

A fuller notice of Mr. Homans' life will appear in our July number.